Supreme Court, U.S.
FILED

941131 DEC 23 1994

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No. 94-

In The

Supreme Court of the United States

October Term, 1994

CHRYSLER CORPORATION,
Petitioner,

v.

ROBERT W. KEARNS,
Respondent.

On Petition for a Writ of Certiorari
to the United States Court of Appeals
for the Federal Circuit

PETITION FOR A WRIT OF CERTIORARI

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QUESTIONS PRESENTED

(1) Does the trial court in a patent infringement case have "discretion" to exclude evidence of prior art, offered by the defendant to construe the scope of the claims at issue, contrary to this Court's express holding in *Westinghouse Co. v. Formica Co.*, 266 U.S. 342 (1924), that even where the alleged infringer is precluded from challenging a patent's validity, such prior art evidence must be used to construe and narrow the claims of the patent so as not to invade the public domain?

(2) Does a trial court in a patent infringement case have any "discretion" to preclude the defendant from showing that the accused device is identical to the prior art in every respect relevant to the application of the patent claims allegedly infringed?

(3) Does Article 1, § 8, of the United States Constitution preclude the trial court in a patent case from permitting the jury to find infringement by construing a patent claim so broadly as to cover what is in the public domain?[1]

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[1] The parties below include the parties named in the title of this petition, and American Motors Corporation, a defendant in the trial court. Petitioner Chrysler Corporation has no parent companies, subsidiaries (except wholly-owned subsidiaries), or affiliates that have issued shares to the public.

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On Petition for a Writ of Certiorari
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PETITION FOR A WRIT OF CERTIORARI

Petitioner Chrysler Corporation respectfully prays that a writ of certiorari issue to review the judgment and opinion of the United States Court of Appeals for the Federal Circuit, entered on August 11, 1994.

OPINIONS BELOW

The opinion of the United States Court of Appeals for the Federal Circuit is reported at 32 F.3d 1541 (1994) and is reprinted in Appendix A hereto. That court's September 28, 1994 order denying rehearing is reprinted in Appendix B hereto. The opinion of the district court denying petitioner's motion for judgment as a matter of law or, in the alternative, for new trial is reprinted in Appendix C hereto.

JURISDICTION

The opinion and judgment of the United States Court of Appeals for the Federal Circuit was entered on August 11, 1994. The Court of Appeals issued an order denying the petition for rehearing and declining the suggestion for rehearing *en banc* on September 28, 1994. This petition is timely filed within 90 days of that date. 28 U.S.C. § 2101(c); Sup. Ct. Rules 13.1, 13.4. This Court has jurisdiction to review the judgment and opinion of the United States Court of Appeals for the Federal Circuit by writ of certiorari pursuant to 28 U.S.C. § 1254.

CONSTITUTIONAL PROVISION INVOLVED

United States Constitution, Article I, § 8, provides, in relevant part:

> "The Congress shall have power . . . . to promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries."

STATEMENT OF THE CASE

A. Procedural history.

In 1982, respondent Robert W. Kearns ("Kearns") filed suit against petitioner Chrysler Corporation ("Chrysler") in the United States District Court for the Eastern District of Michigan, alleging that Chrysler infringed four of his patents relating to electronic intermittent windshield wipers.[2]

From October 1982 until January 1991, the case was stayed pursuant to stipulation and order, pending resolution

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[2] Respondent's complaint alleged that petitioner infringed Patents Nos. 3,351,836 (the '836 patent), 3,564,374 (the '374 patent), 3,581,178 (the '178 patent), and 3,602,790 (the '790 patent).

of a similar suit by Kearns against Ford Motor Company involving the same patents. The *Ford* case was settled in November 1990. In January 1991, the trial court returned the *Chrysler* case to the active calendar and set it for trial.

The trial court ordered the jury trial bifurcated, and the liability phase began in October 1991. Based on the trial court's construction of the pretrial stipulations that had stayed the action since 1982, the trial court barred Chrysler from showing that the Kearns patents were invalid. Based on this same construction of the pretrial stipulations, the trial court also precluded Chrysler from introducing "prior art" evidence — *i.e.*, evidence of other intermittent windshield wiper systems and components that predated Kearns' patents — even for the purpose of construing the claims at issue so as not to cover subject matter wholly in the public domain. Chrysler was thus precluded from showing that its accused windshield wiper system was identical to the prior art in every detail relevant to Kearns' claim of infringement.

The jury found that Chrysler had infringed all four patents at issue. Subsequently, the trial court set aside the verdict of infringement with respect to the '178 patent and entered a judgment of non-infringement of that patent.

The damage phase of the case commenced before the same jury with respect to the three remaining patents. The jury found that Chrysler's infringement was not willful, and the jury assessed damages of $.90 per intermittent windshield wiper unit sold by Chrysler during the period of infringement. The trial court entered judgment in the amount of $18,740,465.43.[3]

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[3] The amended judgment of July 31, 1992 established 12,563,107 as the number of cars subject to the royalty, and $11,306,696.30 as the amount of the damage award. [A. 91]. ("A. " denotes a reference to the three-volume Appendix filed by Chrysler in the appeal to the Federal Circuit.) On October 26, 1992, the trial court also awarded

Chrysler filed a motion for judgment as a matter of law or, in the alternative, for a new trial on issues of infringement and damages. The trial court denied Chrysler's motion in an opinion and order dated June 3, 1993. Appx. C.

Chrysler filed a timely notice of appeal in the United States Court of Appeals for the Federal Circuit, which had jurisdiction of this matter pursuant to 28 U.S.C. § 1295(a)(1). In an opinion dated August 11, 1994, the Court of Appeals affirmed the trial court's judgment. Appx. A.

B. Pertinent facts.

The three patents involved in this suit relate to intermittent windshield wiper systems for use in automobiles. The term "intermittent" refers to the feature whereby the wiper blades stop or "dwell" for some predetermined time period when they reach the end of each wiping cycle. Typically, intermittent operation is selected by the driver in conditions of misty weather, as opposed to steady rain that requires continuous operation of the wipers.

A windshield wiper system achieves intermittent operation by using one of several mechanical or electronic time-delay mechanisms to interrupt electrical power to the wiper motor when the blades reach the end of the wipe cycle, i.e., the "dwell position." Then, after passage of a requisite (and usually adjustable) time period, power is restored to the motor and the wipers thus complete another cycle.[4]

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prejudgment interest and made other adjustments, bringing the total amount of the judgment to the above amount. [A. 94].

[4] Kearns' '836 patent disclosed an electronic intermittent windshield wiper system designed to achieve automatic switchover from intermittent operation to continuous operation and back to intermittent operation, depending on the wetness of the windshield. [A. 176-187]. The '374 patent was a division of the same application as the '836 patent, but focused on the specific electronic time-delay feature. [A. 188-201]. The '790 patent retained the moisture-sensing aspects of the '836 and '374

Kearns was not a pioneer in intermittent windshield wiper technology. Several intermittent windshield wiper systems were patented and manufactured before Kearns applied for the patents at issue here.[5] The first intermittent windshield wiper systems were mechanical. During the 1950's, Trico Corporation patented a time-delay mechanism that used the automobile's vacuum system to operate a diaphragm and thereby open switch contacts each time the wiper blades reached the dwell position. [A. 251-267]. The Trico system permitted the driver to control the duration of the dwell interval by using an adjustable bleed valve to regulate the rate at which the original air pressure was restored. In 1960, General Motors filed a patent application for an intermittent system in which the time delay was controlled by a bimetallic strip that was heated electrically during the dwell interval and distorted by the heat to close switch contacts and start the motor. [A. 268-272].

During the early 1960's, a number of companies developed and patented intermittent windshield wiper systems in which the dwell interval was controlled electronically using simple and well-known transistorized time-delay circuits, much like those in the systems described in the patents at issue in this case. Motorola, Lucas Industries, Bosch, Trico and General Motors all obtained prior art patents using resistor-capacitor-transistor combinations that predated Kearns' patents in this case.

Also in the 1960's, two-speed operation of windshield wipers became common, in part because of government regulation. The Mellor patent to Lucas Industries, applied for in 1965, shows a two-speed system with both high-speed and low-speed continuous operation and low-speed parking.

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patents, but added the feature of two speeds for the wiper motor. [A. 202-213].

[5] The filing date for the '836 and '374 patents was December 1, 1964. The filing date for the '790 patent was October 18, 1967.

[A. 309-310]. The Gute patent to General Motors, applied for in 1960, disclosed a two-speed intermittent system, with high- and low-speed continuous operation and low-speed intermittent operation. [A. 268-272]. The Moller patent to Bosch, applied for in early 1964, used an electronic intermittent timing circuit in a two-speed system. [A. 288-294]. A Japanese utility patent, published in 1965, also showed an electronic intermittent controller used with a two-speed motor. [A. 311-316]. The first U.S. automobile with a factory-installed intermittent system was Ford's 1967 Mercury which used a two-speed wiper motor and Trico's vacuum operated module to control timing.

Much of this prior art, the vast majority of which was excluded from evidence during the liability phase of the trial, revealed the very features that characterized the accused Chrysler system. The '790 patent is exemplary. Claim 14 of that patent, which was found to be infringed, covers the manner of switching an intermittent windshield wiper system between high-speed continuous, low-speed continuous and intermittent operation. [A. 411]. One prior art reference excluded by the trial court was a Japanese utility patent [A. 311-316] showing a switching configuration that was, for all intents and purposes, identical to the switching used by Chrysler. Chrysler's offer-of-proof [A. 354-355] demonstrates that it would be impossible to draft a patent claim covering the switching arrangements for the Chrysler system without also covering the excluded prior art. Both the trial court and the Federal Circuit regarded this as irrelevant.

Because of the trial court's order precluding the admissibility of prior art, however, the jury was permitted to give a broad construction to the claims that assumed the absence of such prior art. The verdict thus invaded the public domain by subjecting Chrysler to damages for using what was plainly available in the prior art. There was no real

dispute about this point. Neither the trial court nor the Federal Circuit expressed any doubt that Chrysler's accused system was identical to the prior art for all purposes relevant to the application of the claims. The trial court simply ruled that Chrysler could not introduce any of this prior art to construe the scope of the patent claims, because this would be a "back door" attack on validity. *See* Appx. A, p. 11. The Court of Appeals affirmed, stating, "[that] we might have reached a different result or might have affirmed had the district court gone the other way are insufficient bases for reversal under the abuse of discretion standard which applies to our review of this part of the court's judgment." Appx. A, p. 11.

REASONS FOR GRANTING REVIEW

I. THE RULING BELOW — THAT A TRIAL COURT IN A PATENT INFRINGEMENT SUIT HAS "DISCRETION" TO EXCLUDE EVIDENCE OF PRIOR ART TO CONSTRUE THE PATENTS AT ISSUE WHERE THE DEFENDANT IS PRECLUDED FROM CHALLENGING THE PATENT'S VALIDITY — IS CONTRARY TO THIS COURT'S DECISION IN *WESTINGHOUSE v. FORMICA CO.*, 266 U.S. 342 (1924).

This case presents a fundamental question of patent law arising from this Court's decision in *Westinghouse Co. v. Formica Co.*, 266 U.S. 342 (1924) — does a trial court have "discretion" to exclude evidence of prior art offered by the defendant to construe the patent at issue, where the defendant is otherwise precluded from challenging the patent's validity?

Under section 102 of the Patent Act of 1952, a patent may not issue if the claimed invention is found in any of several categories of prior art. The two categories of greatest importance to this case are found in section 102(b) and

102(e). Section 102(b) provides that a patent may not issue if the invention is described in a printed publication in this or a foreign country or in public use or on sale in this country more than one year before the application is filed. Section 102(e) precludes the issuance of a patent on an invention described in the specification of some other U.S. patent applied for prior to the application for the patent in question.

In *Westinghouse,* this Court addressed the proper role of such prior art where the defendant is precluded from challenging the patent's validity. In particular, *Westinghouse* addressed the situation where the assignor of a patent, in defense of a suit by the assignee for infringement, is precluded by estoppel from challenging the patent's validity.[6] 266 U.S. at 349. *Westinghouse* holds that:

> "[T]he state of the art can not be used to destroy the patent and defeat the grant, because the assignor is estopped to do this. *But the state of the art may be used to construe and narrow the claims of the patent, conceding their validity.*"

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[6] This situation arose in *Westinghouse* because the inventor, who had once worked for the patent owner and had assigned the patent to it, was associated with the alleged infringer at the time of trial. This Court held that where an assignee sues an assignor for patent infringement, the assignor is estopped from challenging the validity of what was assigned. 266 U.S. at 349-350. *Westinghouse* is indistinguishable from the case at bar, because the basis for ruling that an infringer is precluded from challenging validity is immaterial to the Court's holding on the use of prior art for claim construction.

266 U.S. at 351 (emphasis added).[7] This Court rejected several lower court decisions to the contrary, explaining:

> "Can the state of the art be shown in a suit by the assignee of a patent against the assignor for infringement to narrow or qualify the construction of the claims and relieve the assignor from the charge? . . . [T]he better rule, in view of the peculiar character of patent property, is that the state of the art may be considered. Otherwise the most satisfactory means of measuring the extent of the grant the Government intended and which the as-

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[7] In assessing the validity of a patent claim, the trier of fact compares the claim at issue with prior art to see if there is anything new in the patent holder's claim. The narrower the claim — i.e., the more limited the scope of the "invention" protected by the patent — the more likely that it will be found valid. Thus, the patent holder typically argues for a narrow construction of the claim for purposes of avoiding a validity challenge. If the trier of fact concludes the claim can be construed in such a way that it contains some point of novelty not taught in the prior art, then the claim is valid and the trier of fact goes on to see whether the defendant's accused device infringes the patent claim.

The broader the patent claim, the more likely that a defendant will be found to have infringed it. A patent holder is precluded, however, from arguing for a narrow construction of the claim at issue to avoid a validity challenge, and then arguing for a broad construction of the same claim for purposes of infringement. *See, e.g., Medtronic Inc. v. Cardiac Pacemakers, Inc.*, 721 F.2d 1563, 1583 (Fed. Cir. 1983) ("Because both validity and infringement involve construction of a claim, and because the construction *must be the same* in determining both, it is desirable to decide both questions at the same time") (emphasis added); *Intervet America, Inc. v. Kee-Vet Laboratories, Inc.*, 887 F.2d 1050, 1053 (Fed. Cir. 1989) ("claims must be given the *same* construction when considering infringement as when considering validity").

Thus, in comparing the patent claim to the defendant's device in the infringement analysis, it is essential that the trier of fact use a construction of the claim that would survive a validity assessment. A defendant can infringe only what the patent holder can legitimately claim to have invented; a patent holder can legitimately claim to have invented only that which has not already been invented or disclosed by someone else and thereby entered the public domain.

> signor assigned would be denied to the court in reaching a just conclusion."

266 U.S. at 350-351.

The decisions of the trial court and the Federal Circuit are contrary to this controlling authority. Just as in *Westinghouse*, Chrysler sought to use the prior art to establish the proper construction of the disputed language of the patent claims at issue. Under *Westinghouse*, this was proper even though the trial court had ruled that Chrysler was estopped from challenging the validity of the patents. Relying on *Westinghouse*, Chrysler attempted to show that its accused windshield wiper system was identical, for all purposes germane to the issue of infringement, to the prior art described above. *See supra*, pp. 4-6. The trial court peremptorily excluded this evidence, ruling that "what [the prior art] shows is irrelevant" [A. 653-656] and that such use of prior art would be a "disguised attack on the validity" of the patent. *See* Appx. C, p. 15.

Affirming the trial court, the Federal Circuit adopted the same reasoning, i.e., that Chrysler's attempt to rely upon prior art to properly construe Kearns' claims was an attack on the validity of the patent and was "expressly proscribed by the binding stipulation" entered by Chrysler before trial. Appx. A, p. 11.[8] But this is precisely the reasoning that

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[8] The Federal Circuit did note in passing that "the claims could be construed according to their plain meaning and that reference to prior art was not required" (Appx. A, p. 11). However, this permitted Kearns' experts to construe the claims in a vacuum, so as to encompass Chrysler's products. The Federal Circuit went on to find it "highly significant" that the trial court believed Chrysler was attempting to make a "back door" attack on the validity of the patents by offering prior art evidence to construe the patents. Appx. A, p. 11. Thus, the question presented by this petition was critical to the Federal Circuit's affirmance.

In any event, the suggestion that disputed claim language can be determined without any reference at all to extrinsic evidence is contrary

Westinghouse rejected. *Westinghouse* established that use of prior art to "narrow and construe" the patent is *not* an impermissible "back door" attack on the patent's validity. Rather, the prior art *must* be considered in order to reach a "just conclusion" by permitting a proper construction of the claims, and thereby "measuring the extent of the grant the Government intended." 266 U.S. at 350, 354.

The Federal Circuit erroneously ruled that the trial court had "discretion" to exclude the prior art evidence offered by Chrysler to construe the patents, and that the trial court's ruling was subject to an abuse of discretion standard. Appx. A, p. 11. In so ruling, the Federal Circuit misconstrued language in *Westinghouse* that prior art evidence "may be used to construe and narrow the claims of the patent" to mean that a trial court was free to exclude such evidence. Such a misreading of *Westinghouse* overlooks the fact that this Court expressly rejected several lower court opinions which "seem[ed] to exclude any consideration of evidence of this kind for such a purpose." 266 U.S. at 350. Furthermore, such a misreading of *Westinghouse* is contrary to this Court's conclusion that "[i]n view of the art," the claims at issue *"must be read"* as including by implication a two-step process of pressure and heat, followed by cooling and baking, that was not expressly set forth in the claims. 266 U.S. at 354 (emphasis added). This Court stated, "[w]ithout this, there was nothing new in them in the field to which they applied." 266 U.S. at 354. As so construed narrowly to avoid the prior art, this Court held the claims were not

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to prior opinions of the Federal Circuit. *E.g., SRI International v. Matsushita Electric Corp.*, 775 F.2d 1107, 1118 (Fed. Cir. 1985) (even where the language on its face appears clear, definite and unambiguous, "claim interpretation and resort to extrinsic evidence [is] required" where the defendant asserts that "the claim language, as interpreted in light of the specification, prosecution history, and prior art, does not actually read on his device").

infringed. It is simply not possible to reconcile the Federal Circuit's decision with this Court's ruling in *Westinghouse*.

The Federal Circuit's reasoning underscores the need for review by this Court to clarify that a trial court has no "discretion" to exclude prior art evidence offered to construe the patent. Unlike non-patent cases, there is no possibility that other circuits will address the issue and reach a different decision, because the Federal Circuit has exclusive jurisdiction of appeals in patent cases. 28 U.S.C. § 1295. Unless reviewed by this Court, the Federal Circuit's decision will stand and erroneously signal to trial courts that they have discretion to preclude prior art evidence offered to construe patents. The Federal Circuit's ruling makes it possible for a patent holder to preclude others from using technology on which the patent holder has no legitimate monopoly. This threatens the core principles on which the patent system is founded. Far from advancing "science and the useful arts," the rulings below stand as an impediment to legitimate invention and progress. This Court must review the question presented in this case in order to correct the Federal Circuit's misreading of this Court's decision in *Westinghouse*.

II. THE RULING BELOW HAS THE EFFECT OF REMOVING SUBJECT MATTER FROM THE PUBLIC DOMAIN, IN VIOLATION OF ARTICLE I, § 8, OF THE UNITED STATES CONSTITUTION.

The United States Constitution, Article I, § 8, cl. 8, provides in relevant part:

> "Congress shall have Power . . . To promote the Progress of Science and the useful Arts, by securing for limited Times to . . . Inventors the exclusive Right to their . . . discoveries."

In *Graham v. John Deere Co.*, 383 U.S. 1 (1966), this Court noted that the foregoing provision of the Constitution "is both a grant of power and a limitation." *Id.* at 5. This Court noted the implications of Article 1, § 8:

> *"Congress may not authorize the issuance of patents whose effects are to remove existent knowledge from the public domain, or to restrict free access to materials already available.* Innovation, advancement, and things which add to the sum of useful knowledge are inherent requisites in a patent system which by constitutional command must 'promote the progress of . . . useful art.' This is the *standard* expressed in the Constitution and it may not be ignored."

Id. at 6 (emphasis added).[9]

We respectfully submit that both the trial court's denial of judgment as a matter of law, and the Federal Circuit's affirmance of that ruling, violate precisely this Constitutional standard. The rulings below would allow Dr. Kearns to recover for infringement based on an overly broad construction of his patents that he could never have obtained from the U.S. Patent & Trademark Office. The published opinion of the Federal Circuit gives future trial courts, where validity is not in issue, "discretion" to exclude entirely even the fact that the accused product itself was in the public domain long before the invention reflected in the patent. That result is directly contrary to the fundamental principle — rooted in Article I, § 8 of the Constitution — that a patent cannot be construed to grant exclusivity for subject matter that is in the public domain.

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[9] This Court also acknowledged that the historical underpinning of Article I, § 8, is the English Statute of Monopolies, enacted over a hundred years earlier, to prevent the Crown from creating monopolies in products that were in the public domain. *Id.*

Both lower court rulings assume the absence of any appreciable distinction between the accused device sold by Chrysler and the significant body of pertinent prior art that predates the patent. In other words, both lower courts accepted Chrysler's contention that for all purposes relevant to a determination of infringement its system was essentially identical to the prior art; yet both erroneously ruled that this was irrelevant, purportedly since patent validity was not in issue. Affirming infringement of that patent was a fundamental violation of Chrysler's Constitutional rights and an unacceptable application of the Patent statute to limit Chrysler's right to use freely that which is in the public domain.

CONCLUSION

For the foregoing reasons, the petition for writ of certiorari should be granted.

Respectfully submitted,

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APPENDIX A

United States Court of Appeals for the Federal Circuit

93-1450, -1470

ROBERT W. KEARNS,

Plaintiff/Cross-Appellant,

v.

CHRYSLER CORPORATION,

Defendant/Appellant,

and

AMERICAN MOTORS CORPORATION,

Defendant.

DECIDED: August 11, 1994

Before LOURIE, RADER, and SCHALL, *Circuit Judges.*
LOURIE, *Circuit Judge.*

Chrysler Corporation and Robert W. Kearns appeal and cross-appeal, respectively, from the final judgment of the United States District Court for the Eastern District of Michigan awarding Kearns $18,740,465.43. The judgment was entered on jury verdicts that three patents owned by Kearns were infringed by Chrysler. *Kearns v. Chrysler Corp.*, Civil No. 82-70748 (E.D. Mich. Oct. 30, 1992). The court denied Chrysler's motion for judgment as a matter of law or in the alternative for a new trial. *Kearns v. Chrysler Corp.*, Civil No. 82-70748 (E.D. Mich. June 3, 1993). We affirm the judgment in all respects.

BACKGROUND

In 1982, Kearns filed an action against Chrysler alleging infringement of U.S. Patents 3,351,836, 3,564,374, 3,602,790, and 3,581,178, all relating to electronic intermittent windshield wipers (IWWs) for use in automotive vehicles. At the time the suit was filed, Kearns had three similar suits pending against other automobile manufacturers and distributors involving the same patents, *Kearns v. Ford Motor Co.*, Civil Action No. 78-70740 (E.D. Mich.); *Kearns v. Wood Motors, Inc.*, Civil Action No. 78-70642 (E.D. Mich.); *SWF-Spezialfabrik fur Autozubehor Gustav Rav GmbH v. Kearns*, Civil Action No. 79-74451 (E.D. Mich.).[1]

On October 22, 1982, proceedings in the Chrysler action were stayed pending resolution of the earlier filed suits. The stay was instituted pursuant to Chrysler's stipulation that it would be "bound by the judgment as to the validity of . . . U.S. patent Nos. 3,351,836, 3,564,374, 3,581,178, and 3,602,790" in either *Ford*, *Wood Motors*, or *SWF*, whichever was the last to be adjudicated. The stipulation expressly provided, however, that Chrysler would "not be bound by any consent judgment."

In 1989, shortly before the Ford case went to trial, Chrysler renewed its stipulation regarding the issues of invalidity and unenforceability. Subject to continuation of the court-ordered stay, Chrysler agreed to be "bound by the judgment (excluding a consent judgment) in the *Kearns v.*

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[1] Kearns subsequently filed other infringement actions involving patents relating to IWWs, *e.g.*, *Kearns v. General Motors Corp.*, Civil Action No. 85-70461 (E.D. Mich.), *aff'd*, No. 93-1535 (Fed. Cir. July 25, 1994); *Kearns v. Toyota*, Civil Action No. 85-70459 (E.D. Mich.); *Kearns v. Ferrari SpA.*, Civil Action No. 85-70459 (E.D. Mich.); *Kearns v. American Motors Corp.*, Civil Action No. 85-70460 (E.D. Mich.) (consolidated with the instant case by order of the district court on February 3, 1990).

Ford case, C.A. 78-70740 as to the validity and enforceability of the patents involved in that action that are also involved in this action. Those patents included United States Patent Nos. 3,351,836, 3,564,374, 3,581,178, and 3,602,790." That stipulation was subsequently entered by the court on February 15, 1990.

1. The Ford Litigation

The liability phase of the Ford case commenced on January 3, 1990. On January 29, 1990, the jury returned a unanimous verdict for Kearns, finding that Ford had not proved by clear and convincing evidence that claim 16 of the '836 patent, claim 6 of the '374 patent, claim 14 of the '790 patent, and claim 6 of the '178 patent were invalid or unenforceable. On March 9, 1990, the district court entered partial judgment that the specified claims were valid, enforceable, and infringed by Ford. That partial judgment was eventually "made final" upon entry of the court's final judgment on November 14, 1990.

The damage phase of *Ford* was tried before the same jury in April, 1990. The jury, however, was unable to reach a unanimous verdict and a second trial on damages was held in July, 1990. The second jury ultimately returned a unanimous verdict in favor of Kearns, awarding $5,163,842 for the period from April 3, 1978 through 1988. On July 13, 1990, partial judgment was entered on the damage award assessed by the second jury. Although damages for the period from 1972 to April 3, 1978 remained in dispute, Ford and Kearns eventually reached a settlement as to the total amount of liability. Consequently, the partial judgment on damages was vacated and Ford withdrew its pending post-verdict motions for judgment notwithstanding the verdict or in the alternative for a new trial and waived its appellate rights.

2. The Chrysler Litigation

The Chrysler case returned to active status in early 1991. On February 20, 1991, the district court issued a pretrial order stating that the issues to be adjudicated at trial concerned "infringement, damages, and willfulness." On May 3, 1991, Chrysler filed a motion to have the pretrial order modified to add patent validity as an issue for trial. In support of its motion, Chrysler argued that the pretrial stipulations of October 15, 1982 and February 15, 1990 did not bar Chrysler from challenging the patents in suit. Chrysler claimed that because the final judgment in *Ford* was entered pursuant to a settlement agreement between Ford and Kearns, it was a "consent judgment" within the meaning of the stipulations.

The district court denied the motion and limited trial to the issues stated in the pretrial order. In rejecting Chrysler's argument, the district court noted that although a settlement had been reached in *Ford* on the issue of damages, the issue of validity was "hotly" contested by the parties at trial, resulting in a unanimous jury verdict and a final judgment in favor of Kearns. Moreover, the court found that the stipulations did not obligate Ford to pursue post-trial motions and exhaust all rights of appeal in order for the judgment in *Ford* to be binding on the parties in *Chrysler*.

By order of the court, the Chrysler action was bifurcated into separate jury trials on the issues of liability and damages. On December 10, 1991, the jury returned verdicts that Chrysler's accused IWW circuits, designated the "1977 Circuit" and the "1980 Circuit," infringed claim 12 of the '836 patent, claim 6 of the '374 patent, and claim 14 of the '790 patent.[2] On June 11, 1992, the same jury returned a

[2] The jury also found that Chrysler infringed claim 7 of the '178 patent. Due to an inconsistency between the jury's general verdict of infringement and its answer to a special question, the district court set

verdict that Chrysler's infringement was not willful and assessed a reasonable royalty of $.90 per unit for a total of 12,564,107 infringing units.[3] Pursuant to the jury's verdicts, the district court entered final judgment in favor of Kearns in the amount of $18,740,465.43, including prejudgment interest and costs.[4]

Chrysler subsequently filed a motion for judgment as a matter of law (JMOL), asserting that the jury's findings of infringement were not supported by substantial evidence. Alternatively, Chrysler moved for a new trial, claiming that the district court improperly excluded evidence and misinstructed the jury on critical legal issues. The district court denied Chrysler's post-verdict motions. The court considered the expert testimony adduced at trial together with the documentary evidence of record to be a sufficient basis upon which the jury could have supported its findings of infringement. Further, the court determined that the exclusion of evidence was not prejudicial to Chrysler's substantive rights and that the jury was correctly instructed on the interpretation of the claims and their application to the accused circuits.

DISCUSSION

Chrysler now appeals, asserting that the district court's judgment should be reversed as a matter of law because the underlying jury verdicts of infringement were not supported

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aside the jury's finding and entered judgment of noninfringement pursuant to Fed. R. Civ. P. 49(b). The court's judgment respecting claim 7 is not at issue in this appeal.

[3] The Court subsequently revised the number of infringing units downward to 12,563,107 units.

[4] Specifically, the judgment consisted of $11,306,696.30 for infringement damages, $8,075,193 for prejudgment interest, and $25,898.75 for costs, less $667,322.62 in costs, expenses, and attorneys' fees awarded to Chrysler.

by substantial evidence, or in the alternative, that a new trial is warranted in view of the prejudicial error committed by the district court in barring Chrysler from introducing prior art evidence necessary to properly construe the claims at issue and to challenge their validity and enforceability. Kearns cross-appeals certain rulings of the court that allegedly deprived him of the total compensation to which he claims he is entitled.

New Trial

We first address the district court's denial of Chrysler's motion for a new trial. "The denial of a motion for new trial can be reversed only if the district court abused its discretion." *Arachnid, Inc. v. Medalistic Marketing Corp.*, 972 F.2d 1300, 1301, 23 USPQ2d 1946, 1948 (Fed. Cir. 1992) (citation omitted); *Standard Havens Prods., Inc. v. Gencor Indus., Inc.*, 953 F.2d 1360, 1367, 21 USPQ2d 1321, 1326 (Fed. Cir. 1991), *cert. denied*, 113 S. Ct. 60 (1992). An abuse of discretion may be established by showing that the district court either made an error of law, a clear error of judgment, or made findings which were clearly erroneous. *See Mendenhall v. Cedarapids, Inc.*, 5 F.3d 1557, 1569, 28 USPQ2d 1081, 1091 (Fed. Cir. 1993), *cert. denied*, 114 S. Ct. 1540 (1994).

1. Invalidity and Unenforceability

In support of its contention that a new trial is required, Chrysler claims that the district court erred as a matter of law in excluding evidence allegedly showing that the patents in suit are invalid and unenforceable. Chrysler claims that the district court's decision to exclude such evidence was based on an erroneous interpretation of the pretrial stipula-

tion of February 15, 1990,[5] in which Chrysler agreed to be bound by the judgment rendered in the Ford case on the issues of invalidity and unenforceability. It is Chrysler's position that the Ford judgment was in fact a consent judgment, which, under the terms of the stipulation, was not binding on Chrysler.

The proper interpretation of the parties' pretrial stipulation, like any contract, presents a legal question that we address *de novo*. *See Intel Corp. v. ULSI Sys. Technology, Inc.*, 995 F.2d 1566, 1569, 27 USPQ2d 1136, 1138 (Fed. Cir. 1993), *cert. denied*, 114 S. Ct. 923 (1994). As always, our inquiry begins with the language of the agreement memorializing the intent of the parties.

The controlling language of the agreement between Chrysler and Kearns provides that Chrysler "shall be bound by the [Ford] judgment *(excluding a consent judgment)* . . . as to the validity and enforceability" of the patents in suit. [Emphasis added.] Chrysler asserts that the existence of the "consent judgment" exception in the stipulation indicates that it only intended to be bound by a judgment respecting invalidity and unenforceability where those issues were "fully litigated" by Ford, *i.e.*, only after Ford vigorously defended its position at trial and exhausted all available post-trial remedies. Chrysler insists that the final judgment entered in *Ford* was a "consent judgment" because the parties in that case reached a settlement on the issue of damages that effectively mooted Ford's post-trial motions and forced Ford to forfeit its appellate rights.

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[5] The district court did not rely on the first stipulation of October 15, 1982 in making its disputed evidentiary rulings. The court considered that stipulation to be *functus officio* in view of the February 15, 1990 stipulation. We will therefore limit our discussion to the latter stipulation.

We reject Chrysler's attempts to avoid the consequences of its stipulation by redefining its terms. The fact that Ford was precluded from proceeding with its post-trial motions or seeking appellate review because of its damage settlement does not render the court's judgment a "consent judgment." In our effort to give effect to the original intent of the parties, we adhere to the well-settled rule that words in an agreement are interpreted in accordance with their ordinary and commonly accepted meanings. *See Hol-Gar Mfg. Corp. v. United States,* 351 F.2d 972, 979 (Ct. Cl. 1965). The term "consent judgment" is defined as "[a] judgment, the provisions and terms of which are settled and agreed to by the parties to the action." *Black's Law Dictionary* 842 (6th ed. 1990). This meaning is in contradistinction to a judgment that is rendered by a court without agreement of the parties. The commonly accepted meaning of the term "consent judgment" prevails here because the stipulation is devoid of any indication that the parties intended a different meaning.

Although it is undisputed that Ford settled the amount of compensation due Kearns, no such settlement or agreement was reached between the parties in *Ford* respecting the issues of validity, enforceability, and infringement of the asserted patent claims. Indeed, as the trial court noted, those issues were "hotly," "vigorously," and "fully" contested by the parties during a lengthy jury trial.[6] Pursuant to unanimous verdicts returned by the jury, the court entered partial (and later final) judgment holding claim 16 of the '836 patent, claim 6 of the '374 patent, claim 14 of the '790

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[6] The judge who presided over the Ford litigation also presided over the Chrysler litigation. In rejecting Chrysler's initial attempts to avoid its stipulation, Judge Cohn stated, "I know that I entered a Partial Judgment of Validity, after a hotly contested trial. To my way of thinking . . . there was no Consent Judgment on Validity. Validity was contested. Kearns won, Ford lost and it chose not to appeal, and it withdrew its Motions JNOV or New Trial. That doesn't obviate the fact that it was judgment contested arising in a contested environment."

patent, and claim 3 of the '936 patent valid, enforceable, and infringed. Because neither party in *Ford* "settled and agreed" on the issues of validity and enforceability, the district court's judgment respecting those issues was not a "consent judgment" within the meaning of the stipulation. Chrysler is thus bound by that judgment. *See Restatement (Second) of Judgments* § 40 (1982) ("A person who agrees to be bound by the determination of issues in an action between others is bound in accordance with the terms of his agreement.").

In a further attempt to avoid the consequences of its stipulation, Chrysler urges that "public policy" favors allowing it to challenge the patents' validity and enforceability. Even were we to agree with this proposition, we do not see how it aids Chrysler here. Chrysler was certainly entitled to raise the defenses of invalidity and/or unenforceability when it was accused of infringement, but it chose instead to rely on the judgment rendered in *Ford* on those issues. Public policy will not rescue Chrysler from a decision which it later finds to be imprudently made. On the contrary, public policy favors preventing Chrysler from reneging on an agreement into which it freely entered and upon which Kearns and the district court relied. *See Interspiro USA Inc. v. Figgie Int'l Inc.*, 18 F.3d 927, 930, 30 USPQ2d 1070, 1072 (Fed. Cir. 1994); *Bank of America Nat'l Trust and Savings Assoc. v. United States*, No. 93-5059, slip op. at 4-5 (Fed. Cir. April 29, 1994).

Accordingly, we agree with the district court that Chrysler was barred under the stipulation from introducing prior art evidence directed toward challenging the validity and enforceability of the asserted patents in this case.

2. Interpretation of Claims

Next, Chrysler contends that the district court committed reversible error by excluding prior art evidence allegedly

essential to the proper construction of the claims at issue. As a result of that error, Chrysler asserts that a new trial is warranted because the jury's infringement analysis was predicated on distorted claim interpretations.

"The decision to admit or exclude evidence is within the sound discretion of the trial court and will be reversed on appeal only for a clear abuse of that discretion." *Smith & Lee Assocs., Inc. v. City of Taylor, Mich.*, 13 F.3d 920, 928 (6th Cir. 1993). In order to show that the district court abused its discretion in excluding the prior art evidence, Chrysler must demonstrate that the exclusion prejudiced its substantive rights. *See DMI. Inc. v. Deere & Co.*, 802 F.2d 421, 428, 231 USPQ 276, 280-81 (Fed. Cir. 1986). Here, Chrysler has failed to make that showing.

It is well-settled that reference may be had to prior art when it will assist a court in determining how a disputed claim is understood by those skilled in the art. *See Palumbo v. Don-Joy Co.*, 762 F.2d 969, 975, 226 USPQ 5, 8 (Fed. Cir. 1985); *Tandon Corp. v. International Trade Comm'n*, 831 F.2d 1017, 1021, 4 USPQ2d 1283, 1286 (Fed. Cir. 1987). However, when claim language is clear and unambiguous on its face, resort to prior art may be unnecessary.

Whether a claim has been infringed requires first interpreting the claim and then comparing the properly construed claim to the accused device. *See Read Corp. v. Portec, Inc.*, 970 F.2d 816, 821, 23 USPQ2d 1426, 1431 (Fed. Cir. 1992). When, as here, prior art is not required to resolve the underlying legal question concerning what a claim means, it necessarily has little relevance to the ultimate factual question of infringement. Such evidence is by definition "irrelevant" and need not be admitted by a trial court. *See* Fed. R. Evid. 401, 402.

At trial, Chrysler attempted to introduce prior art patents ostensibly for the purpose of aiding in the interpretation of

the claims at issue. Specifically, Chrysler intended to show that under Kearns' interpretations of the claims, the claims were impermissibly broad because they read upon or were obvious over the prior art. The district court, however, concluded that the claims could be construed according to their plain meaning and that reference to prior art was not required.[7] Moreover, and highly significant here, the district court believed that Chrysler's attempts to offer such evidence constituted a disguised, "back door" attack on the validity of the patents, which was expressly proscribed by the binding stipulation.

The district court's reasoning adequately supports its refusal to admit the proffered evidence. "[That] we might have reached a different result or might have affirmed had the district court gone the other way are insufficient bases for reversal under the abuse of discretion standard which applies to our review of this part of the court's judgment." *RCA Corp. v. Data General Corp.*, 887 F.2d 1056, 1065, 12 USPQ2d 1449, 1457 (Fed. Cir. 1989). Moreover, even if the court committed error in not admitting any particular prior art evidence, we have not been persuaded that the claims were erroneously construed and that Chrysler was thereby prejudiced. The district court's denial of Chrysler's motion for a new trial is therefore affirmed.

Judgment as a Matter of Law

We now consider Chrysler's argument that the district court erred in denying its motion for judgment as a matter of

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[7] The claims at issue contain limitations expressed in "means-plus-function" format. 35 U.S.C. § 112 ¶ 6 (1988). The court's ruling is consistent with the rule that "[i]t is not necessary to consider the prior art in applying section 112, paragraph 6. Even if the prior art discloses the same or an equivalent structure, the claim will not be limited in scope thereby." *Intel Corp. v. United States Int'l Trade Comm'n*, 946 F.2d 821, 842, 20 USPQ2d 1161, 1179 (Fed. Cir. 1991).

law on the issue of infringement. Chrysler contends that no substantial evidence supports the jury's findings that Chrysler literally infringed claim 14 of the '790 patent, claim 16 of the '836 patent, and claim 6 of the '374 patent.

"We reverse a denial of a motion for JMOL only if the jury's factual findings, presumed or express, are not supported by substantial evidence or, if they are, that the legal conclusions implied from the jury's verdict cannot in law be supported by those findings." *Arachnid, Inc. v. Medalistic Marketing Corp.*, 972 F.2d at 1301, 23 USPQ2d at 1948 (citation omitted). The "substantial evidence" standard "requires us to decide for ourselves whether reasonable jurors viewing the evidence as a whole could have found the facts needed to support the verdict in light of the applicable law. If we conclude that no reasonable findings of fact, supported by substantial evidence, could support the verdict that was incorporated into the trial court's judgment, then we must conclude that the trial court erred in not granting the motion for [JMOL]." *Lemelson v. General Mills, Inc.*, 968 F.2d 1202, 1207, 23 USPQ2d 1284, 1288 (Fed. Cir. 1992), *cert. denied*, 113 S. Ct. 976 (1993). Moreover, we review the evidence in the light most favorable to Kearns, the nonmoving party, drawing all reasonable inferences in his favor. *See Amsted Indus. Inc. v. Buckeye Steel Castings Co.*, 24 F.3d 178, 181, 30 USPQ2d 1462, 1464 (Fed. Cir. 1994).

Chrysler devotes the bulk of its appeal to challenging the jury's findings that the accused circuits performed the functions required by each of the asserted means-plus-function clauses by means of structure taught in the specification or an equivalent of those structures. In doing so, Chrysler pays mere lip service to the substantial evidence standard by ignoring the evidence upon which the jury reasonably relied in reaching its verdicts and by rearguing the merits of the infringement issues. An appeal, however, is not to be used as

a means of retrying a case. *See DMI,* 802 F.2d at 426, 231 USPQ at 279. Under the substantial evidence standard, the appellate court's function is exhausted once a sufficient evidentiary basis is deemed to exist to support the jury's findings. *See Richardson v. Suzuki Motor Co.,* 868 F.2d 1226, 1235, 9 USPQ2d 1913, 1919 (Fed. Cir.), *cert. denied,* 493 F.2d 853 (1989).

Trial on the issue of infringement lasted approximately four weeks, during which expert testimony was introduced by both parties. Specifically, as the district court stated, "the expert testimony first construed each of the asserted claims and then went on to describe how the Chrysler system responded to each of the elements of each of the claims. . . . It is this expert testimony together with admissions in Chrysler's documents describing the gestation of the Chrysler system which constituted, for the most part, the substantial evidence supporting the jury's verdict of infringement." After receiving instructions on the law governing infringement of means-plus-function claims,[8] the jury returned verdicts that the asserted claims were literally infringed by Chrysler's accused IWW circuits. Each of the jury's verdicts of infringement was supported by a number of detailed special interrogatories (referred to at trial as "special questions") that addressed specific issues that had been the focus of expert testimony at trial.[9]

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[8] "In order to meet a means-plus-function limitation, an accused device must (1) perform the identical function recited in the means limitation and (2) perform that function using the structure disclosed in the specification or an equivalent structure." *Carroll Touch, Inc. v. Electro Mechanical Sys., Inc.,* 15 F.3d 1573, 1578, 27 USPQ2d 1836, 1840 (Fed. Cir. 1994).

[9] The jury decided some 39 special questions concerning the issue of infringement. Five special questions were directed to infringement of claim 5 of '790 patent, 17 special questions to claim 16 of the '836 patent, and five special questions to claim 6 of the '374 patent.

We have recognized that "[t]he use of special interrogatories . . . facilitates appellate review . . . for such use frees the court from having to survey every possible basis for the jury's decision." *American Hoist & Derrick Co. v. Sowa & Sons, Inc.*, 725 F.2d 1350, 1361, 220 USPQ 763, 773 (Fed. Cir.), *cert. denied*, 469 U.S. 821 (1984). The district court, in denying Chrysler's post-trial motions, analyzed all of the special interrogatories answered by the jury and cited evidence presented to the jury pertinent to each interrogatory, including expert witness testimony. Thus, it is clear that the jury verdicts were supported by substantial evidence. The detailed nature of the special interrogatories, as well as the extensive analysis by the trial judge in considering Chrysler's post-trial motions, are impressive indeed, giving great credibility to the decisions reached.

We conclude that Chrysler has failed to show that on the entirety of the record reasonable persons could not have found the facts necessary to support the jury's verdicts of infringement. Because substantial evidence supports the jury's verdicts and because the legal conclusions implied from those verdicts are consistent with the jury's findings, the district court's denial of Chrysler's motion for judgment as a matter of law is affirmed.

Cross-Appeal

Kearns now cross-appeals a number of rulings issued by the district court that Kearns claims precluded him from obtaining all the relief and compensation to which he was entitled under the law. At issue are the district court's orders (1) granting Chrysler's motion for summary judgment on Kearns' right to seek injunctive relief, (2) granting Chrysler's motion for summary judgment on Kearns' right to recover lost profits as damages, (3) denying Kearns' motion to disqualify Chrysler's counsel for conflict of interest, (4) precluding Kearns from challenging the number of

infringing units without filing supporting documentary evidence, (5) denying Kearns' motion to offer separate evidence of willful infringement by American Motors, (6) granting Chrysler's motion for a directed verdict on the issue of willfulness, (7) assessing prejudgment interest for the period from March 2, 1982 to June 11, 1992 at simple interest rather than 2% above the prime rate, and (8) awarding Chrysler $677,332.62 for attorneys' fees and expenses. We will address each of these rulings in turn to the extent necessary.

1. Post-expiration Injunctive Relief

Shortly before trial, Kearns expanded his claim for relief to include injunctive relief. Kearns believed that Chrysler's infringement deprived him of the "full value" of his patents during their respective terms by effectively extinguishing his exclusive right to sell his patented IWW systems to automobile manufacturers. Kearns urged that Chrysler should be enjoined from manufacturing infringing IWW systems for a period of sufficient duration "to put him in [a] position where the harm [caused by] past infringement during the terms of the patents in suit is rectified." The district court refused to grant such relief because the patents had already expired.[10] The court concluded that "there is nothing in statute or common law giving [Kearns] the right to an injunction against practicing the disclosures in an expired patent."

In arguing that the district court erred in denying him post-expiration relief, Kearns claims that the $11 million damage award is not adequate to compensate him for the loss he sustained as a result of Chrysler's infringement. Kearns contends that Chrysler's infringement stripped him

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[10] The '836 patent expired in 1984 and the '790 and '374 patents both expired in 1988.

of "exclusive time" over his patents in violation of his rights under the U.S. Constitution and the patent laws, and that he is entitled to have that time restored to him. That contention, however, finds no basis in the statutory scheme governing patent infringement remedies.

Under the laws enacted by Congress, a patent grants the patent owner the right to exclude others from making, using, or selling the claimed invention in the United States for the term of seventeen years. 35 U.S.C. § 154 (1988). When that exclusive right is infringed, the patent owner is authorized to obtain compensation in the form of damages, measured, *e.g.*, by lost profits or a reasonable royalty. 35 U.S.C. §§ 281, 284 (1988). Moreover, the statute expressly provides for the grant of injunctions "in accordance with the principles of equity." 35 U.S.C. § 283 (1988). In view of the fact that the principal right afforded by a patent is the "right to exclude," we have noted that "[t]he nature of the patent grant ... weighs against holding that monetary damages will always suffice to make the patentee whole." *H.H. Robertson Co. v. United Steel Deck, Inc.*, 820 F.2d 384, 387-88, 2 USPQ2d 1926, 1930 (Fed. Cir. 1987). Indeed, "[w]hile monetary relief is often the sole remedy for past infringement, it does not follow that a monetary award is also the sole remedy against *future* infringement." *Atlas Powder Co. v. Ireco Chemicals*, 773 F.2d 1230, 1233, 227 USPQ 289, 292 (Fed. Cir. 1985) (emphasis added). However, § 283 relief is available only to "prevent the violations of any right secured by patent." Thus, when the rights secured by a patent are no longer protectable by virtue of expiration or unenforceability, entitlement to injunctive relief becomes moot because such relief is no longer available. *See Illinois Tool Works, Inc. v. Grip-Pak, Inc.*, 906 F.2d 679, 681, 15 USPQ2d 1307, 1308 (Fed. Cir. 1990).

An invention claimed in a patent passes into the public domain upon termination of the patent's 17-year statutory

term. Because the rights flowing from a patent exist only for the term of the patent, there can be no infringement once the patent expires. Here, all the asserted patents expired before the commencement of trial. Therefore, Kearns "can no longer obtain injunctive relief with respect to [those patents]." *See Kinzenbaw v. Deere & Co.,* 741 F.2d 383, 386, 222 USPQ 929, 931 (Fed. Cir. 1984), *cert. denied,* 470 U.S. 1004 (1985); *see also Standard Oil Co. v. Nippon Shokubai Kagaku Kogyo, Ltd.,* 754 F.2d 345, 347, 224 USPQ 863, 865 (Fed. Cir. 1985). Granting the relief requested by Kearns could impermissibly extend the statutory term beyond that established by Congress. Congress has the power to provide for patent term extension in appropriate circumstances, *see* 35 U.S.C. §§ 155, 156 (1988), but it has not done so here and we cannot legislate in its place. *See Denkler v. United States,* 782 F.2d 1003, 1008 (Fed. Cir. 1986) ("Should Congress wish to extend the [statute's scope], it knows how to do so."). The expiration of Kearns' patents precludes the grant of injunctive relief and the judgment for $11 million in damages thus amounts to adequate and full compensation under the law for Chrysler's past violation of his patent rights.

Kearns argues that our decision in *Roche Prods., Inc. v. Bolar Pharmaceutical Co., Inc.,* 733 F.2d 858, 221 USPQ 937 (Fed. Cir.), *cert. denied,* 469 U.S. 856 (1984), suggests that the availability of post-expiration equitable relief is simply a matter within the discretion of the trial court. In *Roche,* the trial court denied the patent owner's request for a permanent injunction because it found there was no infringement. Although the trial court's finding of noninfringement was reversed on appeal, the request for injunctive relief became "no longer . . . necessary" because the patent had expired. Despite the patent's expiration, the case was remanded to the lower court with directions to fashion an appropriate equitable remedy to redress the harm to the patent owner caused by past acts of infringement. *Id.* at 865,

221 USPQ at 942. Kearns argues that the district court should consider taking action similar to that contemplated in *Roche*. Kearns, however, is not in a position to benefit from such relief.

The post-expiration relief discussed in *Roche* was intended to return the parties to the status quo before infringement (*e.g.*, destruction of data obtained as a result of the infringement) and was not intended to prohibit future use of the invention. Importantly, the relief was also considered in the context of harm to a patent owner that had been selling the patented product. Thus, deferral of competition by an infringer who had entered the market prematurely, *i.e.*, before the patent expired, was considered as a means of equitably compensating the patent owner. In contrast, because Chrysler has been manufacturing and selling its infringing IWWs for many years and Kearns has not (see *infra*), there is no basis for granting relief similar to that contemplated by the court in *Roche*.

We sympathize with Kearns' complaint that his patents have expired without his ever being able to exclude others from practice of his invention, especially since he is an individual inventor contending with a multitude of giant corporations.[11] While it is of course the essence of a patent that it provides the right to exclude, the same statute that grants that right also permits other parties, including accused infringers, to challenge the validity of a patent and to contest a charge of infringement. *See* 35 U.S.C. § 282 (1988). Moreover, entitlement to an injunction implementing the right to exclude, as compared with only assessing damages against an infringer, is not absolute even during the life of a patent, but is discretionary. *See* 35 U.S.C. § 283

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[11] The fact that Kearns has fired several of his attorneys and attempted to conduct massive multiple suits *pro se* may be relevant to his dilemma.

("courts having jurisdiction of cases under this title *may* grant injunctions" (emphasis added)); *see also City of Milwaukee v. Activated Sludge, Inc.*, 69 F.2d 577, 593, 21 USPQ2d 69, 85-86 (7th Cir. 1937); *Vitamin Technologists, Inc. v. Wisconsin Alumni Research Found., Inc.*, 146 F.2d 941, 944-45, 63 USPQ 262, 267 (9th Cir. 1944). Here, because Kearns' patents have expired, the district court certainly did not abuse its discretion in denying injunctive relief.

It is unfortunate that Kearns feels that he never enjoyed an exclusive status under his patents, but that is simply a consequence of the right of others to challenge his patents and the fact that his patents have expired. The patent statute does provide for increased damages and attorney fees as additional relief for aggrieved patent owners, *see* 35 U.S.C. §§ 284, 285 (1988), but Kearns did not persuade the district court that he was entitled to such relief.

We therefore conclude that the district court properly granted summary judgment in favor of Chrysler on Kearns' request for post-expiration injunctive relief.

2. Lost Profits

Kearns argues that the district court erred in granting Chrysler's motion for summary judgment on Kearns' claim for damages based on lost profits, rather than a reasonable royalty. A patent owner bears the burden of proof on damages. *Fromson v. Western Litho Plate and Supply Co.*, 853 F.2d 1568, 1574, 7 USPQ 1606, 1612 (Fed. Cir. 1988). Kearns has not carried that burden with respect to lost profits.

A lost profits award is appropriate only if the patent owner can prove there was a reasonable probability that "but for" the infringement, it would have made the infringer's sales. *Water Technologies Corp. v. Calco, Ltd.*, 850 F.2d 660, 671, 7 USPQ2d 1097, 1106 (Fed. Cir.), *cert. denied*,

488 U.S. 968 (1988). One way to establish "but for" causation is to meet the four-part test pronounced in *Panduit Corp. v. Stahlin Bros. Fiber Works*, 575 F.2d 1152, 1156, 197 USPQ 726, 729-30 (6th Cir. 1978). *See Standard Havens Prods.*, 953 F.2d at 1372-73, 21 USPQ2d at 1331. To recover under that test, the patent owner must prove (1) a demand for the patented product, (2) an absence of acceptable noninfringing substitutes, (3) *manufacturing and marketing capability to exploit the demand*, and (4) the amount of profit the patent owner would have made. *Id.* (emphasis added).

In ruling against Kearns, the district court concluded that Kearns failed to prove the *Panduit* requirements for lost profits, particularly with regard to whether he possessed the capability to manufacture and market IWWs. The court determined that "[a]t best plaintiff's offer of proof demonstrates plans for manufacture that were tentative, speculative and contingent. Plaintiff does not suggest he ever made any sales of intermittent windshield wipers or had the manufacturing capability in hand to do so." Kearns disputes the court's finding, stating that his company "Kearns Engineers" had the capacity to manufacture, market, and sell IWWs since the 1960's and that Chrysler's infringement prevented him from selling his IWWs to Chrysler. That contention, however, is not supported by the record.[12] Where, as here, a patent owner fails to prove lost profits, the court is left with no alternative but to have damages determined on the basis of a reasonable royalty. *See Water Technologies,* 850 F.2d at 673-74, 7 USPQ2d at 1108.

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[12] We note that the appendices filed by Kearns on appeal contain documents not considered by the district court. We, of course, must limit our review to the record produced at trial. *DMI,* 802 F.2d at 426, 231 USPQ at 279.

Accordingly, we affirm the district court's grant of summary judgment in favor of Chrysler on the issue of lost profits.

3. Other Rulings

We have carefully reviewed the district court's other rulings respecting willful infringement, disqualification of counsel, prejudgment interest, and attorneys' fees and costs. The rulings are adequately supported by the record and are consistent with governing law. We need not address Kearns' contentions in detail. For purposes of our decision, suffice it to say that Kearns has not identified any reversible error in law or fact made by the district court in reaching its decisions. Accordingly, we affirm the district court's rulings.

CONCLUSION

The district court did not err in denying Chrysler's post-verdict motions. Nor did the district court commit any reversible error in ruling on the various issues disputed by Kearns. Accordingly, the district court's judgment is affirmed in all respects.

AFFIRMED

APPENDIX B

United States Court of Appeals for the Federal Circuit

ORDER

A combined petition for rehearing and suggestion for rehearing in banc having been filed by the APPELLANT, and the petition for rehearing having been referred to the panel that heard the appeal, and thereafter the suggestion for rehearing in banc having been referred to the circuit judges who are in regular active service,

UPON CONSIDERATION THEREOF, it is

ORDERED that the petition for rehearing be, and the same hereby is, DENIED and it is further

ORDERED that the suggestion for rehearing in banc be, and the same hereby is, DECLINED.

The mandate of the court will issue on October 5, 1994.

FOR THE COURT,
FRANCIS X. GINDHART,
CLERK

Dated: September 28, 1994

By /s/ DIANE M. FRYE
Diane M. Frye
Chief Deputy Clerk

cc: ROBERT P. TAYLOR
ROBERT W. KEARNS

WILLIAM D. DURKEE, RICHARD L. AITKEN

KEARNS V CHRYSLER CORP, 93-1450
(DCT - 82-70748)

Note: Pursuant to Fed. Cir. R. 47.6, this order is not citable as precedent. It is a public record.

APPENDIX C

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

ROBERT W. KEARNS,

Plaintiff,

v.

CHRYSLER CORPORATION,

Defendant.

Civil No. 82-70748

OPINION AND ORDER

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I. INTRODUCTION

A. Nature of Case

This is a patent case involving four patents for intermittent windshield wipers owned by plaintiff Robert W. Kearns (Kearns). Defendant is Chrysler Corporation (Chrysler).[1] On December 19, 1991, after a 27 day trial and 9 days of deliberations, a jury found Chrysler infringed Claim 16 (together with Claim 12) of U.S. Patent No. 3,351,836 (the '836 patent), Claim 6 (together with Claim 5) of U.S. Patent No. 3,564,374 (the '374 patent), Claim 14 (together with Claims 9 and 13) of U.S. Patent No. 3,602,790 (the '790 patent) and Claim 7 (together with Claim 1) of U.S. Patent No. 3,581,178 (the '178 patent). On April 28, 1992, because of an inconsistency between the jury's answer to a special question and the general verdict of infringement on the '178 patent, the Court, pursuant to Fed. R. Civ. P. 49(b), ordered that the Chrysler A and B systems (the Chrysler intermittent windshield wiper systems alleged to have infringed)[2] did not infringe.

On June 11, 1992, after a 21 day trial and 6 days of deliberations, the same jury found that Chrysler's infringement was not willful and that a reasonable royalty was 90 cents an infringing unit.[3] On October 26, 1992, as of June 11, 1992, the Court entered a final judgment in

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[1] A separate case against American Motors Corporation was consolidated with this case under a stipulation to include the American Motors Corporation intermittent windshield wiper units as part of the Chrysler units.

[2] Chrysler in its argument generally makes no distinction between the two systems. The Court will use the term Chrysler system to refer to both systems.

[3] The parties could not agree on the number of infringing units. It was a contentious point throughout the case. Eventually the Court determined there were 12,563,107 infringing units.

Kearns' favor for $18,740,465.43, which includes prejudgment interest. Now before the Court is Chrysler's motion under Fed. R. Civ. P. 50(b) and 59(a) for judgment as a matter of law or in the alternative for a new trial on grounds which will be discussed below.[4] For the reasons which follow the motion will be denied.

B. Prior Rulings

The Court on November 11, 1992, and December 10, 1992, denied similar motions by Kearns. Also, during the course of the case the Court granted or denied numerous motions based on a variety of grounds. Many of the orders granting or denying these motions are likely to be the subject matter of an appeal. It would inappropriately prolong the length of this opinion for the Court to describe these orders much less attempt to divine which of them the parties consider sufficiently egregious to warrant the expense and effort of an appeal.[5] Since Chrysler has vigorously disputed the Court's ruling that it agreed to be bound by the decision on validity and enforceability in *Kearns v. Ford Motor Co.*, Civil No. 78-70740, which was decided in Kearns' favor, that ruling is likely to be the subject of an

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[4] Chrysler's motion filed June 25, 1992, asserts somewhat different grounds than it argued in its brief filed September 1, 1992. See Chrysler's Supplemental Memorandum In Support Of Motion For Judgment As A Matter Of Law, Or In The Alternative, For A New Trial, filed February 2, 1993. The Court in this Opinion And Order deals only with the grounds asserted in Defendant Chrysler Corporation's Memorandum In Support Of Its Motion For Judgment As A Matter Of Law, Or In The Alternative, For A New Trial On Liability And Damages Issues, filed September 1, 1992. To deal with both would unreasonably burden the obligations of the Court regarding Chrysler's request for post-trial relief.

[5] An appendix reflecting the more significant filings by the parties and orders entered by the Court is attached.

appeal.[6] And, since Kearns believes he is entitled to injunctive relief effectively extending the 17 year statutory life of his patents, he is likely to ask the Federal Circuit to review the Court's denial on February 24, 1992, of such relief.[7] Lastly, it would also inappropriately lengthen this opinion for the Court to describe the course of the case and particularly the significant events in the two trials. Suffice it to say, the case was vigorously and contentiously fought and the trials were hotly contested with a multitude of witnesses and exhibits on each side. Importantly, the Court gave each party ten preemptory challenges, gave counsel the order in which the venire would be drawn in advance, utilized a ten person jury because of the bifurcation of liability from willfulness and damages, used substantive preliminary instructions, gave the jury a glossary of terms, used a multiple general verdict form, special questions, juror note taking, juror notebooks, and gave the jurors the right to ask questions. The Court also utilized the services of a special master for pretrial matters in the willfulness and damages phase.

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[6] See discussion at p. 61, *infra*.

[7] Kearns places no weight on the unpublished decision of the Court of Appeals for the Federal Circuit in *Kearns v. The United States*, Appeal No. 85-645 (April 26, 1985), a case in which Kearns sued the United States in the Court of Claims to obtain an extension of certain of his patents. In its decision the Federal Circuit said

> Congress alone has the power to extend the patent term . . . Applicants' apparent frustration with litigation delays and with what he views as the failure of others to understand his patents is understandable, but nothing in the Constitution or in any statute precludes a patent owner's fellow citizens from challenging the propriety of a patent grant.

Publication of the decision by the Federal Circuit would have improved the likelihood of resolving this case by agreement.

C. Pro Se Representation[8]

Lastly, mention should be made of a peculiarity in this case. Kearns has sued every major automobile manufacturer in the world which sells automobiles in the United States for infringement of his patents concerning intermittent windshield wipers. After three jury trials, one on validity and enforceability and two on damages (the first jury could not agree on damages), Kearns settled with Ford Motor Company (Ford). After the jury finding of infringement in this case, Kearns discharged his lawyers and handled the willfulness and damages trial *pro se*. Kearns is also handling the pending motion *pro se*, as well as two cases now pending on the Court's docket against General Motors Corporation and five major Japanese automobile manufacturers. Cases against German and other foreign automobile manufacturers have been stayed pending a decision in the case against the major Japanese manufacturers. Also, after receiving Chrysler's 167 pages with 294 footnotes brief, the Court solicited a brief amicus from Kearns' former counsel, Arnold White & Durkee, who represented Kearns in the case against Ford and who handled much of the pretrial in this case, and Reed Smith Shaw & McClay, who handled the liability phase of this case, since it appeared to the Court that Kearns' lack of legal acumen made it unlikely he could mount an adequate response to Chrysler's motion papers. The Court was correct. The Court, in the discussion with follows, has relied largely on the amicus' 110 page with 33 footnotes brief. Kearns' two briefs in opposition are unfocused and of little help.[9]

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[8] See also discussion at p. 74, *infra*.

[9] The Court in the discussion which follows does not distinguish between the amicus' argument and Kearns' argument but simply refers to the two arguments in the singular as "Kearns".

D. Applicable Law

No extended discussion of the legal principles governing the Court's consideration of Chrysler's motion is necessary. These principles are well known. *See generally Connell v. Sears, Roebuck & Co.*, 772 F.2d 1542 (Fed. Cir. 1983). Likewise, so are the legal principles governing the particular grounds for relief urged by Chrysler. To the extent the Court believes appropriate, legal principles will be discussed as particular grounds are discussed.

II. JUDGMENT AS A MATTER OF LAW — INFRINGEMENT

A. Introduction

1.

Fed. R. Civ. P. 50(a) (1) states:

> If during a trial by jury a party has been fully heard with respect to an issue and there is no legally sufficient evidentiary basis for a reasonable jury to have found for that party with respect to that issue, the court may grant a motion for judgment as a matter of law against that party on any claim, counterclaim, cross-claim, or third party claim that cannot under the controlling law be maintained without a favorable finding on that issue.

So long as "reasonable jurors viewing the evidence as a whole could have found the facts needed to support the verdict as a matter of applicable law", *Lemelson v. General Mills, Inc.*, 968 F.2d 1202, 1207 (Fed. Cir. 1992), the Court may not interfere with the finding of infringement. The Court should not, however, simply accept such a finding. As suggested in *Lemelson*, "there is a special burden placed on the trial judge" in a jury trial patent case to ensure that the applicable rules do not "get short shrift." 968 F.2d at 1206. Here, the applicable rules were stated in the instructions to

the jury; the Court finds no error in the instructions.[10] Some additional comment on the applicable law, however, is in order.

2.

In an unpublished decision, *Drexelbrook Controls, Inc. v. Endress & Hauser, Inc.*, No. 92-1234, 92-1235 (Decided February 4, 1993), the Court of Appeals for the Federal Circuit said:

> Although claim interpretation is a question of law, in cases such as this where the claim terms in issue involve complex scientific principles and conflicting expert testimony, an underlying question of fact is created. *Tol-O-Matic, Inc. v. Proma Produkt-Und Mktg. Gesellschaft,* 945 F.2d 1546, 1549-52, 20 USPQ2d 1332, 1336 (Fed. Cir. 1991); *Howes v. Medical Components, Inc.*, 814 F.2d 638, 643, 2 USPQ2d 1271, 1273 (Fed. Cir. 1987). In such cases where there is conflicting testimony and argument on material fact issues, due deference must be given to the decision of the jury and trial judge. *Shatterproof Glass Corp. v. Libbey-Owens Ford Co.*, 758 F.2d 613, 619, 225 USPQ 634, 636 (Fed. Cir. 1985), *cert. dismissed,* 474 U.S. 976 (1986).

In *D.M.I., Inc. v. Deere & Co.*, 755 F.2d 1570, 1574 (Fed. Cir. 1985), the Court of Appeals for the Federal Circuit said:

> To interpret "means plus function" limitations as limited to a particular means set forth in the specification would be to nullify the provision of § 112 requiring that the limitation shall be construed to cover the structure described in the specification and equivalents thereof. Patentees are required to disclose in the specification

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[10] See discussion at pp. 43-52 and 63-66, *infra.*

some enabling means for accomplishing the function set forth in the "means plus function" limitation. At the same time, there is and can be no requirement that applicants describe or predict every possible means of accomplishing that function. The statute, § 112-6, was written precisely to avoid a holding that a means-plus-function limitation must be read as covering only the means disclosed in the specification.

In other words, the Court is not to read the specifications into the claims. See *Texas Instruments, Inc. v. United States International Trade Commission,* 805 F.2d 1558, 1562 (Fed. Cir. 1986).

As to infringement, a determination of equivalence in an accused device under 35 U.S.C. § 112, which is involved here, is a question of fact, *Durango Associates, Inc. v. Reflange, Inc.,* 843 F.2d 1349, 1357 (Fed. Cir. 1988), and that all of the elements of a claim are old is "simply irrelevant". *Environmental Designs, Ltd. v. Union Oil Co. of Cal.,* 713 F.2d 693, 698 (Fed. Cir. 1983).

3.

There are several fundamental flaws in Chrysler's argument that it is entitled to a judgment as a matter of law. First, since the jury's verdict on infringement is reviewed under the substantial evidence test, it is improper for Chrysler to ignore the evidence which supports the verdict and to argue as if it was involved in a trial to the bench. Here, there was substantial evidence in the form of detailed expert testimony which the jury could have found credible to support the findings of infringement. Particularly, the expert testimony first construed each of the asserted claims and then went on to describe how the Chrysler system responded to each of the elements of each of the claims. Chrysler simply ignores this testimony.

Second, Chrysler, in its argument, reduced each of the claims to a particular embodiment or practice and then compared that embodiment to the Chrysler system and goes on to argue no infringement.

Lastly, Chrysler has made no effort to explain the answers to special questions contrary to its position.

4.

In the discussion which follows, the Court has relied in considerable part on the representation of Kearns as to the content of the record regarding the testimony of Arthur L. Larkey, a professor of electrical engineering at Leigh University, William Hall, a patent lawyer, and Jerome Meisel, a professor of electrical engineering at Wayne University, its experts at trial. It is this expert testimony together with admissions in Chrysler's documents describing the gestation of the Chrysler system which constituted, for the most part, the substantial evidence supporting the jury's verdict of infringement. Nowhere in Chrysler's argument is there support for the assertion that reasonable jurors could not differ as to a finding of the absence of identity of function and identity of means or their equivalent in the Chrysler system compared to the asserted claims. Chrysler repeatedly mischaracterizes the comparison to be made when it says:

> The functions of [the elements] are not identical to the functions performed by the Chrysler system. The structures of [the elements] are not the same or equivalent to the structures used in the Chrysler system.

What Chrysler should be arguing is that

> The functions of the Chrysler system are not identical to the functions performed by [the elements]. The structures of the Chrysler system are not the same or the equivalent to the structures used in [the elements].

After all, it is the Chrysler system which is accused of infringing and not vice-versa.

5.

The verdicts returned by the jury read generally as follows:

> A. Has Dr. Kearns shown by a preponderance of the evidence that the [Chrysler system] literally infringed [patent claim]?
>
> [Answer] *Yes*
>
> B. Did the [Chrysler] system nevertheless, not infringe because it was so changed in principle that it performed the same or a similar function to produce substantially the same result, but did so in a substantially different way?
>
> [Answer] *No*[11]

The jury answered consistent with its finding of infringement five special questions on the '790 patent, 17 on the '836 patent and five on the '178 patent.

B. Claim 14 of the '790 Patent

Claim 14 of the '790 patent (which includes claim 9 and claim 13) reads:

> 9. A windshield wiper system for automotive vehicle comprising
>
> A. *a DC motor* connected to drive at least one windshield wiper blade through wipe cycles on an automotive vehicle windshield, *said motor having three brushes* so that the greater portion of said armature

[11] Chrysler makes no argument about the jury's finding that it did not show non-infringement under the reverse Doctrine of Equivalents.

winding is energized when voltage is applied between a first pair of said brushes than is energized when voltage is applied between a second pair of said brushes so that said motor will run at a higher speed when energized between said second pair of brushes,

B. *motor control means having first and second conditions* and energizing said motor between said first pair of brushes in said first condition and energizing said motor between said second pair of brushes in said second condition,

C. *said motor control means* in only one of said first and second conditions being operable to energize said motor intermittently to drive said wiper blade through repeated wipe cycles with a dwell period occurring automatically at the end of each of said wipe cycles, and

D. *a switch control movable between first and second positions* to place said motor control means in said first condition or in said second condition.

• • • • •

13. A windshield wiper system as recited in claim 9 wherein

E. *said motor control means comprises a capacitance, a resistance, a circuit* connected to vary the charge on said capacitance by current flowing through said resistance during said dwell period, and *means responsive to the charge on said capacitor reaching a predetermined level* to energize said motor to end said dwell period.

14. A windshield wiper system as recited in claim 13 wherein

F. *said means responsive to the charge in said capacitance reaching a predetermined level* to energize said motor comprises *a solid state electronic valve* connected in a circuit to become conductive when said capacitance reaches said predetermined level and *means responsive to said electronic valve becoming conductive* to energize said motor.[12]

As described by Kearns:

The '790 patent relates to an intermittent windshield wiper system with a two-speed three-brush motor. Claim 14 states that intermittent wiping may be done in only one of the two speeds. It does not state which speed.

Chrysler argues that the function of elements C and D are not identical to the functions performed by the Chrysler system and that the structures of elements B, C, D, E and F are not the same as or equivalent to the structures in the Chrysler system. These contentions were fully explored at trial. The jury found otherwise. The Court agrees with the jury.

1.

Chrysler's argument regarding the function of Element C may be summarized as follows:[13]

Element C requires the following:

[structure] in only one of said first and second conditions being operable to energize said motor intermittently to drive said wiper blades through repeated wipe

---

[12] The Court has used Chrysler's breakout of the elements. It does not differ significantly from Kearns' breakout. The underlined part of each element are the "means" while the balance is the "function."

[13] The summaries of Chrysler's arguments which follow are taken from Chrysler's brief with some editing. Kearns' positions are taken from his brief with some editing.

cycles with a dwell period occurring automatically at the end of reach of said wipe cycles.

Element C should be construed as if it read:

[structure] to energize said motor intermittently using the high speed brush to drive said wiper blades through repeated wipe cycles . . . .

Element C is a reference to the fundamental teaching of the '790 patent that intermittent operation uses only the high-speed brush of the motor for intermittent wiping operations. Throughout the specification, it is established that the patent calls for energizing a two-speed motor through its high-speed brush to carry out wiping operations.

The evidence is undisputed that Chrysler's system does not operate in intermittent mode on the high-speed brush. The Chrysler system runs only on the low-speed brush for intermittent operation, and thus achieves different objectives than what the patent states are its principal advantages.

The claim does not say which of the two speeds the motor is energized to operate in intermittent but that it can only be one of the two speeds.

There is no ambiguity in element C.

There was substantial evidence that element C calls for intermittent in high or low speed but not both. Chrysler's argument would have this Court rewrite element C as well as confine the element to a particular embodiment.

2.

Chrysler's argument regarding the function of Element D may be summarized as follows:

Element D requires, as function, the following:

> [structure] to place said motor control means in said first condition or in said condition.

Element D should be construed as if it read:

> a switch control moveable between OFF and INTERMITTENT positions to place said motor control means in low speed or in high speed, respectively.

Put differently, Element D requires a change of speeds in switching the system from intermittent to off.

The Chrysler system does not change speeds in going from intermittent to off; thus, the Chrysler system does not perform this function. In the Chrysler system, power is applied to the low-speed brush at all times during intermittent operation and when the system is switched off. When the driver selects OFF, the wiper blade continues at low speed to its resting place and is parked. This is fundamentally different from the dual-speed approach disclosed in the '790 patent.

This is a continuation of Chrysler's argument regarding the construction of element C and fails for the same reason as its argument regarding element C.

The switch control is a specific component. There was substantial evidence that it was movable so that it had two modes of operation without confining a particular position to a particular condition, i.e., speed. Chrysler would confine element D to a particular embodiment.

3.

A.

Chrysler's argument regarding the structural differences as to element D may be summarized as follows:

> Structural differences between the switching arrangements required by Element D of the '790 and those of the Chrysler system negate the necessary correspondence for infringement. The '790 patent achieves its switching back and forth between the low-speed brush for parking, the high-speed brush for the intermittent wipe cycle, and the low-speed brush for braking at the end of each wipe cycle through the dwell switch.
>
> At trial, plaintiff did not show how the circuitry of the '790 was similar to Chrysler's, because they are different on their face. The patent requires a switch that simultaneously changes five separate circuits in going from one mode of operation to another. This is hardly the same as the two-segment switch used by Chrysler and its related circuitry. Nor did plaintiff establish that the switches are equivalent. They are not "interchangeable" in any meaningful sense. Apart from the fact that both systems can be used for intermittent operation and that both use a two-speed motor, it is difficult indeed to find structural similarity of any kind.

B.

Chrysler's argument regarding the structural differences as to elements B, C, E, and F may be summarized as follows:

> The structures of Elements B, C, E, and F of claim 14 also are not the same as or the equivalent of corresponding Chrysler structures. Element B is a reference to the entire system disclosed in the '790 patent, less the motor. As such, it contemplates numerous structural features

that are quite different from the Chrysler system. These include the braking resistors needed for automatic skipping of the dwell period when the windshield is wet, a capacitor charging circuit that creates dwell intervals that vary with the length of the preceding wipe cycle, the direct connection of the transistor to the motor needed for motor speed control and variable motor speed in continuous operation, and the use of the transistors for both intermittent and continuous operation.

C.

There was substantial evidence supporting a finding of the same or the equivalent structures as called for by elements B, C, D, E and F in the Chrysler system. Whatever the actual differences between the structures called for by these elements and the structures in the Chrysler system, there is nothing in Chrysler's argument that the differences it argues have any real relevance to the question of infringement.

4.

Chrysler relies on seven pieces of prior art to argue against infringement of the '790 Patent. Each piece, according to Chrysler, utilizes a 2-speed, 3-brush motor, low speed in park, and intermittent and either high or low speed for continuous operation. Nothing more is described as to any piece of prior art.

This argument has three flaws. First, it is a disguised attack on the validity of the '790 Patent. Second, it is conclusionary and lacks substance. Third, it depends in part on evidence not before the jury in the infringement trial.

C. Claim 16 of the '836 Patent

Claim 16 of the '836 patent (which includes claim 12) reads:

12. In a windshield wiper cleaning system,

A. *electric motor driven windshield wiper drive means* for driving wiper blade means across the windshield in repeating wiping cycles, and

B. *automatic control means* for energizing said motor intermittently to produce complete wiping cycles with each wiping cycle followed by a predetermined dwell period, said control means including

C. *transistor switch means* for energizing said motor to initiate a wiping cycle and deenergizing said motor to terminate a wiping cycle,

D. *timing means* to determine said predetermined dwell period, and

E. *switch means responsive to the position of said drive means* for conditioning said timing means to bias said transistor switch means off at the end of each wiping cycle for said predetermined dwell period.

• • • • •

16. The invention as defined in claim 12 wherein said automatic control means includes

F. *manually activated switch means* for selectively connecting said drive means and transistor switch means in a continuous position for continuous operation of the drive means without dwell periods and in an intermittent position for said intermittent operation of said drive means.

As described by Kearns:

> The '836 patent relates to an intermittent windshield wiper system in which the dwell period is synchronized to the position of the wiper blade on the windshield. Claim 16 specifies a system having transistor switch means for energizing and deenergizing the wiper motor, timing means to determine the dwell period and switch means responsive to the wiper motor for conditioning the timing means.

Nothing is stated in the claim about moisture responsiveness. The effort of Chrysler to put moisture responsiveness into the claim in that context flaws the argument at the inception.[14]

Chrysler argues that the functions of elements B, C, E, and F are not identical to the functions performed by the Chrysler system and that the structures of elements C, E and F are not the same as or equivalent to the structures in the Chrysler system. These contentions were fully explored at trial. The jury found otherwise. The Court agrees with the jury.

1.

Chrysler's argument regarding the function of element F may be summarized as follows:

Element F requires, as function, the following:

> [structure] for selectively connecting said drive means [the motor] and transistor switch means in a continuous position for continuous operation of the drive means without dwell periods and in an intermittent position for said intermittent operation of said drive means.

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[14] See discussion at pp. 22–24 and 57–59, *infra*.

Element F should be construed as if it read:

> [structure] for selectively causing the transistors to run the motor continuously for continuous operation or alternatively causing the transistors to run the motor with dwell periods for intermittent operation.

Element F, properly interpreted, requires that the transistors provide power to the motor in continuous operation. The structure described in Element F is the switch, which in the "C" or continuous position connects the motor and transistors in one circuit arrangement for continuous operation and in the "I" or intermittent position connects the same two components in a different circuit arrangement for intermittent operation. Both the transistor and the motor are essential to the operation of the system in either continuous or intermittent mode.

The Chrysler system does not satisfy the functional requirement of Element F. In the Chrysler system, the transistors play no role whatsoever in continuous operations. Continuous operation occurs because the driver-operated switch applies power directly to the motor and bypasses the electronic controller altogether.

Element F functions to manually switch between continuous and intermittent, according to the expert testimony, and does not require a wired connection between the transistors and the motor. According to the expert testimony, Chrysler's system does the same thing and whether the transistors in the Chrysler system are off is of no moment. The jury answered the special question relating to Chrysler's contention as follows:

> Does "selectively connecting said drive means and transistor switch means in a continuous position for continuous operation" in describing the function of the "manually activated switch means" in Claim 16 in-

clude intermittent windshield wiper systems where the transistors are turned off in continuous operation?

X YES

2.

Chrysler's argument regarding the function of element E may be summarized as follows:

Element E requires, as function:

> [structure] for conditioning said timing means to bias said transistor switch means off at the end of each wiping cycle for said predetermined dwell period.

Element E should be construed as if it read:

> [structure] to provide current for charging the capacitor during the wipe cycle, whereby the capacitor voltage will render the transistor fully nonconductive to start the dwell and will keep the transistor nonconductive throughout the dwell period.

Element E properly construed requires (a) that the dwell switch (and not some other component) provide the current to charge the timing capacitor during the wipe cycle, (b) that the timing capacitor (and not some other component) bias off the transistor at the end of the wipe cycle, (c) that the transistor be off during the dwell interval, and (d) that the timing capacitor (and not some other component) hold the transistor off during the dwell period.

The Chrysler system does not contain element E because it performs none of those four functions.

Element E functions to charge the capacitor to a sufficient voltage so that the transistor switch means turns off each time the dwell switch moves to the dwell position, according to the expert testimony. The element does not,

according to the expert testimony, require the charging current pass directly through the switch. Likewise, the expert testimony supports a finding that nothing in the file history is to the contrary. The jury answered the special question relating to this point as follows:

> Does "conditioning said timing means" in Claim 16, include intermittent windshield wiper systems where the charging of the capacitor of the timing circuit is permitted by the position of the dwell switch, but not charged through the dwell switch during each wiping cycle during intermittent operation?
>
> __X__ YES

Chrysler's argument that there must be a direct connection between the capacitor and the transistor was rejected by the jury in its answer to a special question as follows:

> Does "conditioning said timing means to bias said transistor switch means off" in Claim 16 include intermittent windshield wiper systems where the capacitor of the timing circuit is electrically connected to the base of a transistor through a diode?
>
> __X__ YES

Chrysler's argument that the transistor switch means must be reverse biased during the dwell period was contrary to the expert testimony to the effect that all that is necessary is for the transistor switch means to be off. The jury answered a special question as follows:

> Does "to bias said transistor switch means off" in Claim 16 include intermittent windshield wiper systems where the transistor switch means is turned off at the

end of each wiping cycle other than by reverse biasing a transistor?

__X__ YES

Lastly, the expert testimony was contrary to Chrysler's argument that the capacitor, or timing means, holds the transistor switch means off during the entire dwell period. All that is required, according to the expert testimony, is that the capacitor be responsible for turning the transistor switch means off, and that the transistor switch means remain off during the dwell period.

There was substantial evidence to the effect that Chrysler's system performs the function of element E. The expert testimony was to the effect that Chrysler's timing capacitor bias' off the transistor at the start of the dwell period. The jury answered a special question as follows:

> Is the capacitor of the timing circuit in the Chrysler system "conditioned" by the dwell switch to permit the capacitor to charge during each wiping cycle as described by Claim 16?

__X__ YES

As to the presence of the diode in the Chrysler circuit between the capacitor and the transistor, the expert testimony was to the effect it was of no moment. The jury answered a special question as follows:

> Is the connection between the capacitor and the transistor in the Chrysler system the same or equivalent to the connection between the capacitor and the transistor described in the patent?

__X__ YES

The expert testimony was to the effect that in the Chrysler system there is a transistor that is biased off

because it can no longer carry the current necessary to hold the relay in an active position so the motor no longer has sufficient current to run. This means the Chrysler circuit includes the same function as called for in the claim. The expert testimony was to the effect that any leakage through the transistor made no difference.

3.

Chrysler's argument regarding the function of element C may be summarized as follows:

Element C requires as follows:

> [structure] for energizing said motor to initiate a wiping cycle and deenergizing said motor to terminate a wiping cycle.

Element C should be construed as if it read:

> [structure] for providing current to energize said motor to initiate a wiping cycle and blocking said current to deenergize said motor to terminate a wiping cycle.

Element C, properly construed, requires a direct connection between the transistor and the motor of the '836 patent. Otherwise, the claim language "for energizing said motor" would be superfluous. Moreover, several important features of the '836 patent would be inoperative without the direct connection.

The Chrysler system does not use transistors to energize and deenergize the motor. In intermittent operation, Chrysler's transistors are used to energize and deenergize a relay, which in turn controls the motor. In continuous operation, the Chrysler transistors and relay have no function whatever in controlling the motor.

Element C functions to energize and deenergize the motor on each wipe cycle. This element is certainly not ambiguous. Chrysler's argument that there cannot be a relay

between the transistors and the motor depends on a preferred embodiment overriding the language of the claim element according to the expert testimony which, of course, flaws the argument. Chrysler's heavy dependence on the relay in its system to defeat a finding of identity of function (in reality arguing against equivalent structure) is contrary to the expert testimony and the jury's answer to a special question as follows:

> Does "transistor switch means" in Claim 16 include, as of 1977, intermittent windshield wiper systems which has a relay and transistors?
>
> __X__ YES

4.

Chrysler's argument regarding the function of element B may be summarized as follows:

Element B requires as follows:

> automatic control means for energizing said motor intermittently to produce complete wiping cycles with each wiping cycle followed by a predetermined dwell period.

Element B should be construed as if it read:

> control means for energizing said motor intermittently to produce complete wipe cycles with each wiping cycle followed by a predetermined dwell period, configured so that the system can be adjusted to skip the dwell period automatically when the windshield is wet.

The structure in Element B is a reference to the entire system depicted in Claim 16, less the motor. It encompasses the timing circuit, transistors, braking resistors, dwell switch and driver control switch. The term "automatic control" in Element B may be construed only as a

reference to the dwell-skipping, moisture responsive nature of the '836 system.

The word "automatic" was used numerous times throughout the specification to describe this feature, whereby the braking resistors could be adjusted so that the wiper blades would coast past their normal stopping position when the windshield was wet, and would cause the dwell switch to reinitiate a wipe cycle without a full dwell period. A fair reading of the '836 patent specification from top to bottom leaves little doubt that a moisture responsive system was what plaintiff invented and filed his patent to protect.

The evidence is undisputed that the Chrysler system is wholly incapable of the "dwell skipping" function called for in Element B and is thus incapable of "automatic" operation in the context of the patent. Accordingly, the identical function required by section 112(6) is missing and the '836 patent is not infringed.

According to the expert testimony, element B specifies the function of automatically energizing the wiper motor intermittently, with a dwell period between wipes. According to the expert testimony, the dwell period need not be related to the length of the preceding wipe cycle, braking resistors are not used, and there is no moisture responsiveness. These features are found in a particular embodiment. The jury so found when it answered a special question as follows:

> Does "automatic control means" in Claim 16 include intermittent windshield wiper systems where the length of each dwell period may be set by the driver so as not to vary with the length of the preceding wiping cycle?
>
> __X__ YES

According to the expert testimony, the Chrysler system energized the wiper motor intermittently with the dwell period between wipes.

5.

Chrysler's argument regarding Element F's switch means may be summarized as follows:

> Chrysler's driver-controlled switch is neither the same as nor the equivalent of the three-segment switch disclosed in the '836 patent. Chrysler's driver-controlled switch is a two-segment switch, half of which bypasses the electronics and connects battery voltage directly to the appropriate brushes of the motor for continuous operation and for parking, the other half of which supplies power to the electronics module for intermittent wiping but does not interact with that module. The switch means as claimed must be part of the automatic control means that is necessary to add breaking resistors to the system for intermittent operation. Chrysler has no counterpart at all to that portion of the driver-operated switch in the '836 patent that switches the brake resistors in and out of the circuit. Facially, the Chrysler switch is not the same as the three-segment switch that plaintiff used in the '836 patent.
>
> Nor are the switches equivalent. Certainly the Chrysler switch was not shown to be interchangeable with the switch of the '836. The record reflects no substantial evidence that the Chrysler driver control switch connects the motor voltage to the base of the transistors in continuous operation. Chrysler does not even use transistors for continuous operation. Chrysler's driver-controlled switch plays no part at all in braking during intermittent operation, as is the case in the '836 patent; that braking function is performed by a relay in the Chrysler system. Accordingly, Chrysler has no structure that corresponds

to switch segments #132, #130 and #134; and there is no infringement.

The jury answered a special question as follows:

> Is the driver control switch in the Chrysler system the same or equivalent to the manually operated switch described by the '836 patent?
>
> X YES

According to the expert testimony, the "by-pass feature" of the Chrysler manual switch, i.e., that the switch is not involved with braking during intermittent, is only a feature not found in the claim. This was substantial evidence to support the answer to the special question.

6.

Chrysler's argument regarding Element E's *switch means responsive to the position of said drive means* may be summarized as follows:

> The '836 patent discloses a double-pole, double-throw switch that, among other things is also necessary to carry out the braking function associated with the moisture responsive features of the patent. In the Chrysler A system, by contrast, the dwell switch is a single-pole, single-throw switch that merely places ground on the left hand side of the capacitor during dwell and removes it during run. In the Chrysler B system, the dwell switch is a single-pole, double-throw switch that switches the left hand side of the capacitor from ground (during dwell) to battery (during run) and back to ground, but which has no counterpart in the braking feature needed for the '836.
>
> Further, the structure of Chrysler's timing circuit, which carries out the functions of element E, is different from that of the patent. For all of the reasons that the functions are different, the structure needed to provide

those functions is equally different. The timing capacitor charges far more quickly and through a separate charging path than that of the '836, and a diode isolates the transistor from the capacitor. The transistor in Chrysler is controlled by a circuit producing about a one volt peak-to-peak variation in base voltage that never turns the transistor off as the system cycles, whereas the transistor control in the '836 is at full battery voltage and turns the transistor off very hard.

The expert testimony was to the contrary. Again, Chrysler, according to the expert testimony, relies on features not required by the claim. Again, the jury answered a special question as follows:

> Is the dwell switch in the Chrysler system the same or the equivalent to the dwell switch described by the patent?
>
> __X__ YES

7.

Chrysler's argument regarding Element B's *automatic control means* may be summarized as follows:

> Chrysler uses a dead short to brake the motor instantaneously, whereas the system taught by the patent will not work with such a configuration. Chrysler uses a timing circuit that charges rapidly through a path independent of the dwell switch, whereas the patent teaches a timing circuit that charges slowly through the dwell switch. Chrysler uses a simple system that operates in the continuous mode and park mode independently of the transistorized module, whereas the patent discloses a system in which the transistors are essential for park, continuous and intermittent. Chrysler switches its motor with a relay, whereas the patent discloses a system in which a relay

cannot be substituted if the system is to carry out its disclosed purposes.

These are not minor points of difference but instead go to the essence of what is disclosed. The systems are certainly not the same, certainly not interchangeable, and are therefore not "equivalent" in any meaningful sense. Plaintiff had a duty to establish "equivalence" with more than conclusory statements to that effect by his expert. The fact that both systems involve intermittent windshield wiper systems is a feature they have in common with considerable prior art and that cannot establish equivalence.

The jury answered special questions as follows:

> Is the dead short braking in the Chrysler system the equivalent of the resistor braking described by the '836 patent?
>
> __X__ YES
>
> Does the Chrysler system have a control device that provides a "predetermined dwell period" in intermittent operation as described by Claim 16?
>
> __X__ YES

These answers were consistent with the expert testimony. Chrysler's different structure, because of a different timing circuit, relay, and motor braking, are not, according to the expert testimony, contrary to the requirements of the claim and have no relationship to the claim language.

Again, the prior art cited by Chrysler to defeat the jury's finding of infringement of the '836 patent is of no moment. Chrysler has made no effort to support a finding by the Court that Claim 16 as it reads on the Chrysler circuit, according to the expert testimony and the jury's answers to the special questions, might also read on the prior art.

Chrysler's repeated efforts to contest its agreement to follow the finding in *Kearns v. Ford* on validity in the guise of arguing non-infringement has been a detriment to the Court's ability to assess the merits of its argument for a judgment as a matter of law.

D. Claim 6 of the '374 Patent

Claim 6 of the '374 patent (which includes claim 3 and claim 5) reads:

> 3. A control device for activating motor driven windshield wiper drive means for driving wiper blades across a windshield in repeating wiping cycles comprising:
>
> A. (1) *a timing circuit* for determining repeated spaced time intervals comprising *a capacitance, a resistance, and circuit means* to charge said capacitance between said time intervals to provide a voltage across said capacitance at the start of each of said intervals and to connect said resistance to one side of said capacitance in an RC circuit during said intervals, said circuit jumping the potential applied to the other side of said capacitance at the start of each of said intervals in a direction to increase the voltage across said resistance, said circuit means terminating said intervals when the voltage across said resistance drops to a predetermined level, and
>
> B. (2) *activating means including said timing circuit* for activating said drive means intermittently to provide dwell periods between successive wiping cycles, said activating means terminating each dwell period to initiate a wiping cycle when the circuit means terminates a time interval determined by said timing circuit.
>
> 5. A control device as recited in claim 3 wherein

C. *said circuit means includes an electronic valve having a first conductive condition and a second conductive condition*, said circuit means connecting said electronic valve to said resistance during said intervals in a manner to switch said electronic valve from said first condition to said second condition to terminate each of said intervals in response to the voltage across said resistance dropping to said predetermined level.

6. A control device as recited in claim 5 wherein

D. *said circuit means includes a DC source*, wherein the switching of said electronic valve from said first condition to said second condition is in response to the voltage between a pair of electrodes of said electronic valve having a predetermined polarity and reaching a predetermined level, and wherein during said intervals said circuit means connects said resistance between said one side of said capacitance and one side of said DC source, connects one of said electrodes to the other side of said DC source, and connects the other one of said electrodes to said resistance, whereby the voltage between said electrodes will reach the predetermined level with said predetermined polarity to cause said electronic valve to switch from said first condition to said second condition when the voltage across said resistance drops to the predetermined level at which said circuit means terminates said intervals.

As described by Kearns:

The '374 patent relates to an intermittent windshield wiper system like that of the '836 patent; it has the same specifications. Claim 6, particularly, relates to a system in

which the RC timing circuit[15] which governs the length of the dwell period has a "voltage jumping"[16] feature.

Chrysler argues that the function of elements A and D are not identical to the functions performed by the Chrysler system and that the structures of elements A, B, C, and D are not the same as or equivalent to the structures used in the Chrysler system. These contentions were fully explored at trial. The jury found otherwise. The Court agrees with the jury.

1.

Chrysler's argument regarding the function of element A may be summarized as follows:

> Element A requires, among other things, the following function:
>
> > [Structure] to charge said capacitance between said [dwell] intervals . . . .
>
> The foregoing portion of Element A should be construed to read, in pertinent part:
>
> > [structure] to charge said capacitance in a manner so as to prolong charging throughout the full duration of the wipe cycle . . . .

---

[15] The glossary defines "RC timing circuit" as follows:

> Resistor-capacitor circuit. A circuit element consisting of one or more resistors and capacitors which is used to time things such as the dwell period in an intermittent windshield wiper circuit, usually based on the amount of time it takes a capacitor to charge or discharge through a resistor to a desired voltage.

[16] The glossary defines "voltage jumping" as follows:

> An electrical circuit in which one side of a capacitor is connected to a source of electrical voltage input and then suddenly switched in such a manner that the electrical voltage on the other side of the capacitor is forced to make a similar change.

The '374 patent discloses a system in which the charging of the capacitor during the wipe cycle begins after three other events have occurred — first, the motor has begun to move; second, the moveable portion of the dwell switch has moved off of its initial ground contact; and third, the moveable portion of the dwell switch has completed its travel to contact #78 which connects the negative pole of the battery to the time capacitor. Until contact is made to the negative pole of the battery, charging does not commence.

Chrysler's system charges the capacitor during an almost mutually exclusive portion of the wipe cycle from that of the patent. In the Chrysler system, charging of the capacitor begins immediately upon the initial movement of the dwell switch off of the ground contact, when the motor just begins to move, and occurs at a very high speed. In Chrysler, charging is 80% to 90% complete by the time charging commences in the system taught by the '374 patent. Chrysler designed its system intentionally to charge the capacitor rapidly, which assures among other things that the dwell period does not vary with the time of the previous wipe, an intrinsic feature of the '374 circuits.

Element A calls for charging the capacitor during the wiping period and not necessarily during the whole of the period, according to the expert testimony. The jury answered a special question on the point as follows:

> Does to charge said capacitance between said time intervals in Claim 6 include intermittent windshield wiper systems where the capacitor of the timing circuit is charged during part of the wiping cycle?
>
> __X__ YES

The expert testimony was to the effect that the charging function as called for by the claim was to be found in the

Chrysler system. The jury agreed when it answered a special question as follows:

> In the Chrysler system is the capacitor charged between dwell periods during intermittent operations as described "by to charge said capacitance between time intervals" in Claim 6?
>
> X YES

The fact that Chrysler's capacitor charges more rapidly, and not throughout the wiping cycle, does not negate a finding that it performs the same function as called for by the claim element.

2.

Chrysler's argument regarding the function of Element D may be summarized as follows:

Element D requires as follows:

> said circuit means includes a [battery] wherein the switching of said [transistors] from said first condition [off] to said second condition [on] is in response to the voltage between a pair of electrodes of said electronic valve having a predetermined polarity and reaching a predetermined level, and wherein *during said [dwell] intervals said circuit means* connects said resistance between one side of said capacitance and one side of said [battery] connects one of said electrodes to the other side of [battery], *and connects the other of said electrodes to said resistance*, whereby the voltage between said electrodes will reach the predetermined level with said predetermined polarity to cause said electronic valve to switch from said first condition (off) to said second condition (on) when the voltage across said resistance drops to the predetermined level at which said circuit means terminates the intervals.

The language underscored requires that the timing resistance be "connected" to the transistor during the dwell interval, as shown in Figure 4 of the '374 patent. This is an essential feature of the '374 design, because the capacitor voltage is used to hold the transistor off throughout the dwell period.

The Chrysler timing resistance is not "connected" to the transistor during the bulk of the dwell interval; an isolation diode separates those two components electrically until the timing capacitor has reached a voltage which begins to turn on the transistor.

The function of element D, according to the expert testimony, is to connect the transistor to the timing circuit to facilitate switching the transistor on at the end of the dwell period. The expert testimony was to the effect that a direct connection is not required. The jury answered a special question as follows:

> Does said circuit means connecting said electronic valve to said resistance in Claim 6 include intermittent windshield system where the base of the transistor is connected to the resistor of the timing circuit through a diode?
>
> X YES

The expert testimony was to the effect that Chrysler's circuit performs the connecting function specified in Element D. The presence of the diode in the Chrysler circuit is not relevant to the claim of infringement since it is not required by Element D. Again, the jury answered a special question, contrary to Chrysler's argument, as follows:

> Are the transistors of the Chrysler system electrically connecting the resistance as described by "said circuit means connecting said electronic valve to said resistance during said intervals in a manner to switch said

electronic valve from said first condition to said second condition to terminate each of said intervals in response to the voltage across said resistance dropping to said predetermined level" in Claim 6?

___X___ YES

3.

The jury's verdict established that Chrysler's structure is the same as or equivalent to that called for by Claim 6 and the expert testimony at trial was to that effect. Chrysler's argument does not support a contrary view.

4.

Again, Chrysler cites prior art in support of its argument to defeat infringement and again it fails to show how claim 6 as read on its circuit also reads on the prior art.

III. New Trial — Infringement

A. Introduction

Chrysler asserts a variety of grounds in moving for a new trial. These include misstated instructions and ill formed special questions, improper evidentiary rulings, and too much judicial generosity regarding rebuttal argument and none regarding the request for surrebuttal argument. In discussing these grounds and finding that they lack merit, the Court is much moved by the contentiousness of the infringement trial and the resolute failure of the parties to cooperate. Particularly egregious with regard to Chrysler's faulting the Court's rulings in both trials is Chrysler's failure to pay even lip service to Fed. R. Civ. P. 61 which reads:

> No error in either the admission or the exclusion of evidence and no error or defect in any ruling or order or in anything done or omitted by the court or by any of the parties is ground for granting a new trial or for setting

aside a verdict or for vacating, modifying, or otherwise disturbing a judgment or order, unless refusal to take such action appears to the court inconsistent with substantial justice. The court at every stage of the proceeding must disregard any error or defect in the proceeding which does not affect the substantial rights of the parties.

Also vexing was the particular inability of the parties to come close to agreement on the instructions and special questions. The law is not so uncertain as to have allowed for the difficulty the Court encountered in its effort to obtain agreement on the instructions and special questions. Some description of that difficulty is in order.

In Pre-Trial Order No. 1, entered February 21, 1991, the procedure to be followed prior to consideration by the Court in preparing jury instructions and resolving differences between the parties was explicitly described. That order stated in part:

A. Plaintiff shall serve defendant with a draft of the Order [Final Pre-Trial Order] in accordance with the requirements of this order, accompanied by a draft of proposed jury instructions, including plaintiff's theory of the case if appropriate, by June 10, 1991.

B. Defendant shall respond with additions, deletions or modifications to plaintiff's draft of the order accompanied by additions, deletions or modifications to plaintiff's draft of proposed jury instructions together with defendant's theory of the case if appropriate, by June 20, 1991.

C. Each proposed jury instruction shall be on a separate page. If a pattern instruction is requested a copy of the instruction shall be included; reference to the number is not sufficient. The parties shall work toward agreement on jury instructions so that the

need for the Court to resolve instructions is minimized.

On July 2, 1991, Kearns filed proposed jury instructions on liability. On July 3, 1991, Chrysler filed proposed jury instructions on liability. On August 27, 1991, Chrysler again filed proposed instructions on liability. What followed is not clear to the Court, i.e., the extent to which the parties met in an endeavor to resolve their differences. During the week of November 11, 1991, it appears there were attempts by the parties to resolve their differences and drafts of jury instructions exchanged.

The parties rested on Tuesday, November 19, 1991. The jury was told to come back Thursday, November 21, 1991, for final argument and instructions preliminary to their deliberations. However, Wednesday, November 20, 1991, and Thursday, November 21, 1991, were needed to resolve a number of outstanding matters necessary for decision before the Court could turn its attention to the jury instructions and special questions. As to special questions, the Court had made clear the need for them in keeping with the admonition in *Structural Rubber Products Company v. Park Rubber Company*, 749 F.2d 707, 720 (Fed. Cir. 1984) ("This court has counselled district courts in appeals to us that specific answers from the jury on factual issues are desirable.")

On Wednesday, November 20, 1991, the Court discussed with the parties the exhibits which had been admitted and would be given to the jury during deliberations. There was strong disagreement as to which exhibits were part of the trial record. This dispute was not resolved until the following day. The Court also had to decide once and for all on Kearns' right to assert infringement by the Doctrine of

Equivalents,[17] a matter the Court had previously decided against Kearns based on a representation that he claimed only literal infringement. The Court denied Kearns' motion for reconsideration. (Tr. 11/20/91, p. 4026)[18] In addition, the Court considered and denied motions for directed verdict by both parties. (Tr. 11/20/91, p. 4029) Finally, the Court discussed with the parties the contents of the juror notebooks (Tr. 11/20/91, p. 4030).[19]

On Thursday, November 21, 1991, the Court continued the discussion on admitted exhibits and the contents of the jurors' notebooks. Finally, on Thursday the Court was able to address the matter of instructions and special questions. The parties were at loggerheads and indeed, had not fully reviewed each others' drafts. (Tr. 11/21/91, pp. 4056-57) The Court's frustration with the lawyers was such that it was constrained to make a statement as follows (Tr. 11/21/91, pp. 4058-60):

> It's 3:30 on Thursday, November 21. The proofs concluded in this case Tuesday afternoon, November 19. The parties have been struggling for two days to arrive at proper jury questions, . . . , jury instructions and the general verdict form. The problem with the instructions had been a nagging one in this case since the beginning.
>
> The joint pre-trial statement envisioned that there would be an exchange and agreement prior to the commencement of trial, since the rules of law that the jury

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[17] Initially Kearns disavowed any claims of infringement under the Doctrine of Equivalents (Tr. 9/12/91, pp. 14-15) and then exerted almost as much effort to get out of the disavowal as did Chrysler to get out of its stipulation on validity.

[18] In Parts III and IV the Court is citing to the record because of the importance of the record to a proper understanding of the Court's rulings.

[19] See discussion at pp. 59-60, *infra*.

was going to be instructed on could be followed during the course of trial. This did not happen.

The Court is reasonably satisfied that it will not be able to determine who is at fault. It's likely that Defendant was over resourced in the case and Plaintiff was under resourced, and Plaintiff's limited resources were being devoted to preparing for trial each day.

In any event, the Court can't decide who is right and who is wrong.

We have gone through the instructions. The Court has made some rather arbitrary decisions only because the Court has only so much time, and we feel we have to get to the jury tomorrow morning at 9 o'clock. We have now got a set of instructions. The Plaintiff has furnished the Court with a series of special questions which it feels reasonably illuminates the underlying factors that go to make up the jury's verdict. The Court is satisfied that the format and general tenor of Plaintiff's questions are satisfactory.

The Defendant has submitted about 60 pages which is a combination of Defendant's version and Plaintiff's version. The Court is not in a position to go through these question-by-question. It would take hours in the Court's view. Therefore, the defense can submit a set of special questions tomorrow morning that it thinks appropriate. The Court will choose between Plaintiff's and Defendant's, and that will be the end of the matter. The Court will not exercise any effort in the future to obtain agreement. The Court may well decide to submit both sets to the jury and just let the jury struggle with them.

The Court doesn't have any choice in the matter. My resources are limited. It doesn't have the kind of technical assistance, nor does it have a grasp of the record sufficient to enable it to sit here and negotiate with the parties as to

the proper form of the special questions. So there will be no special questions or the Court will submit both parties' set of special questions. The Court will choose one or the other. The Court will do that tomorrow morning at 8:30.

You're on your own. It's your case.

The parties were given a complete set of the instructions the end of the day Thursday, November 21, 1991, so that they could make their final arguments in light of the law the jury was to apply. The jury heard final arguments and was instructed on Friday, November 22, 1991. Following dismissal of the jury for the day, the Court took up the parties' objections to the instructions. (Tr. 11/21/91, pp. 4273-79) Kearns placed his objections on the record. Chrysler relied on exceptions filed that day. These exceptions, while specific as to what Chrysler believed incorrect in the instructions, did not contain alternative text. The Court was again constrained to make a statement as follows (Tr. 11/22/91, pp. 4275-76):

In the Pre-Trial Order entered February 21, 1991, the Court explicitly laid out the manner in which the jury instructions were to be drafted, exchanged and resolved.

As of this morning at 8 o'clock, which is November 22, 1991, after, by the Court's count, some 28 days of trial, the parties have still failed to present jury instructions in the form as required by the Court's pre-trial order. Indeed, they failed to give the Court detailed, word-for-word proposed instructions in lieu of those that the Court was dealing with.

With regard to Plaintiff's objections to claim interpretation, the record should reflect that only last week did the Plaintiff, for the first time, furnish the Court with what it believed to be the proper interpretation of the claims as argued in *Kearns v. Ford Motor Company*, and even then did not explicitly particularize the claim interpretation

with extracts from the record which would support the interpretation directly.

The Court unfortunately was obligated to fly alone on the instructions for the most part while the parties gave it substantial assistance. The Court is satisfied that the instructions reasonably reflect the law applicable to the issues, and the jury has been properly instructed and we now can go on to the exhibit list.

Over the weekend of November 23-24, 1991, the Court discussed with the parties the form of the special questions and at the beginning of court on Monday, November 25, 1991, went through with the jury the contents of their notebooks, directing them to remove anything that had not been agreed upon the previous week. Because of the confusion over which exhibits had been admitted, the Court had a concern that a juror may have inadvertently retained an exhibit not admitted. The jury was given a list of all the exhibits which had been admitted. These exhibits were available during deliberations on request. (Tr. 11/25/91, pp. 4287-88)

Following the correlation of the exhibit books, the special questions were read to the jury. (Tr. 11/25/91, pp. 4289-4302) Because of the manner in which the special questions had been drafted and considered, as described above because of the inability of the parties to agree, the Court decided not to submit special questions and then *sua sponte* reconsidered, drafted the questions and went over them with the parties before the opening of court). Following the reading of the special questions to the jury the Court made a statement (Tr. 11/25/91, p. 4303):

[I]f you think that the text of any of those questions can be improved on reflection during the day, I'm quite willing to bring them back and give them a revised form of text. This was all done rather hurriedly this morning.

So, if you will agree, I will be delighted to do so, okay.

Chrysler relied on exceptions filed that morning to memorialize its exceptions which were general in form and did not deal with any particular question or offer alternative text. For the third time the Court was constrained to make a statement. (Tr. 11/25/91, pp. 4305-07)

The record should reflect that early on in this case, the Court indicated that the appropriateness, consistent with the precedent from the Federal Circuit to ask that special questions of the jury, along with a general verdict to test whether or not the jury had made the requisite subsidiary finding to support a general verdict of either infringement or non-infringement. And in this case, the doctrine — the reverse doctrine of equivalence.

The parties apparently had great difficulty in agreeing on special questions, and continued to submit to the Court their respective versions, presumably expecting the Court to harmonize or rule on the differences of the versions.

Today is Monday morning. The jury was instructed late Friday. Saturday afternoon the Court met with the parties in an effort to further harmonize their respective versions. And it appeared that there was no way that any kind of harmony could be reached.

For example, the parties, even at that late hour, could not agree whether the word "cover" should be used, or the word "include" should be used in the Special Questions. Notwithstanding the fact that in the instructions both words were used to mean the same thing.

The Court at the conclusion of that informal conference, conceded to the wishes of the parties and decided not to ask the special questions except under the reverse doctrine of equivalence, but later in the afternoon reflected on the importance of those Special Questions, and over the weekend attempted to harmonize the two sets as

best the Court could with its limited understanding at this point of the nuances and subtleties of their respective versions. And not knowing whether their respective versions were put forth in good faith, or in an effort to sabotage the jury's deliberations.

Without casting aspersions on either party, but there's obviously multiple agendas that have been at work in this case right from the beginning, and the Court is generally the last to know.

In any event, the Court advised the parties over the weekend of its efforts, and we met early this morning, and the Court gave them the Court's work product, and as best we could, we went over it, attempted to correct some typographical errors, some technical misunderstandings, since it was imperative that the material be given to the jury this morning so they could begin their deliberations.

And what the jury now has and what is reflected in the record is a result of that process.

The Court remains open, if the parties can come to an agreement, to correct typographical errors in the text, to correct phraseology in the text, indeed, even to delete or modify the language of these questions, and to so instruct the jury.

But, absent any agreement of the parties, the die is now cast, the text is fixed, and whatever happens, happens.

There's always the likelihood that the jury will ask the Court questions, which will allow further explanation on the questions the Court has asked of the jury. But, I think we all have to remember that there are four or five cases yet to follow this one, and it's to be hoped that this experience will not have to be replicated.

B. The Instructions[20]

1.

Fed. R. Civ. P. 51 reads:

> At the close of the evidence or at such earlier time during the trial as the court reasonably directs, any party may file written requests that the court instruct the jury on the law as set forth in the requests. The court shall inform counsel of its proposed action upon the requests prior to their arguments to the jury. The court, at its election, may instruct the jury before or after argument, or both. No party may assign as error the giving or the failure to give an instruction unless that party objects thereto before the jury retires to consider its verdict, stating distinctly the matter objected to and the grounds of the objection. Opportunity shall be given to make the objection out of the hearing of the jury.

2.

Chrysler takes exception to the instruction regarding the steps the jury was to follow in deciding on literal infringement of the means-plus-function claim. The instruction read as follows. (Tr. 11/22/91, pp. 4264-67)

> In considering literal infringement of means-plus-function claim elements in a claim, you do the following:
>
> First, identify the structure in the patent specification that performs the function stated in the means-plus-function claim elements as I previously said you should do in interpreting the claims without considering the Chrysler system.

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[20] In both trials during deliberations the jury had the written text as well as a cassette recording of the instructions.

Second, identify the structural components in the Chrysler system that are performing the same or identical function of the means-plus-function claim element. If the structural components you identify in the Chrysler system are also performing additional functions not called for by the claim element, you ignore those additional functions. If you find that the structural components you identify in the Chrysler system are performing the same or identical functions as stated in the claim, but are performing that function in a manner better or worse than described in the claim, there is still identity of function for purposes of infringement.

If you find a structure in the Chrysler system that performs the same function of the means-plus-function claim element, you compare the structure of the Chrysler system performing the function stated in the claim with the structural components listed in the patent specifications that perform the claim function. This is the structure identified in the claim interpretation I mentioned a moment ago.

In this comparison, you should be careful to compare only the structural components in the Chrysler system performing the function stated in the claim with the structural components described in the patent specification as performing the function stated in the claim. Do not read into the claim any additional function or functions not stated by the claim element that may be performed by the structural component in the patent specification.

Finally, compare the structural component identified in the Chrysler system with the structural component identified in the patent specification to see if they are the same or equivalent. In making this comparison, it is not necessary that the structural components in the Chrysler system and in the patent be exactly the same and are directly interchangeable. *It is sufficient for this comparison that*

the structural components of the Chrysler system and of patent have enough in common that they perform the function stated in the claim in substantially the same way to achieve substantially the same result.

In this comparison, you can also take into account what was known in the art by the time the infringement occurred, including the disclosure in another of the patents-in-suit where the equivalents of the structural components used by Chrysler may be described. It is not required that the equivalent structure be known in the art at the time the patent application was filed, or at the time the patent issued. The question of equivalence of structure is determined as of the time the infringement took place.

If the structural components are found to be equivalent by this comparison, the means-plus-function claim element is found to be in the Chrysler system for purposes of literal infringement. (emphasis added)

Focusing on the underlined portion, Chrysler argues that the Court told the jury equivalency of function was sufficient and thus infected the test for literal infringement because it related function as used in Section 112, sixth paragraph, with the Doctrine of Equivalents. See *Valmot Industries, Inc. v. Reinke Manufacturing Co., Inc.*, 983 F.2d 1039 (Fed. Cir. 1993). While the instruction could have been more explicit,[21] Chrysler is wrong. Chrysler misreads the instruction. The Court did not tell the jury equivalency of function was sufficient. Fairly read, the instruction is telling the jury

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[21] Interestingly, there is no model instruction which carefully separates "equivalents" under § 112, sixth paragraph, and "equivalents" under the Doctrine of Equivalents. See AIPLA Guide To Jury Instructions In Patent Cases (1990), p. 13; ABA Section of Patent, Trademark And Copyright Law, 1988 Committee Reports, pp. 213-231, and particularly pp. 225-226; and Burton, Jury Instructions In Intellectual Property Cases.

equivalency of structure is sufficient. As stated in 35 U.S.C. § 112, sixth paragraph, "the corresponding structure ... described in the specifications and *equivalents thereof.*" (emphasis added). There was no prejudice to Chrysler sufficient to warrant a new trial.[22]

3.

Chrysler, without restating the instruction or making reference to the transcript page or particular language, takes exception to "Instructions Nos. 14, 15, 17, 25, 28, 29 and 36." As a consequence the Court is at a considerable disadvantage. The Court in dealing with instructions told the lawyers when objecting to an instruction to state which particular words should be added, deleted or modified, and to offer substitute words, etc. Chrysler does not do this in its argument but seems to be saying that the order or emphasis in these instructions was incorrect. Since the Court of Appeals for the Federal Circuit has not given its imprimatur to a set of standard instructions for patent cases, disagreement as to order and emphasis offers no grounds for claiming prejudice sufficient to warrant a new trial.

4.

Chrysler takes exception to portions of the following instructions (Tr. 11/22/91, pp. 4259-61):

> Now let me go into more detail as to what the specification of the patent is and how you can use it in interpreting words of the claims. The specification as you heard is a written description of the invention and how to make

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[22] The Court's findings in Part II, *supra*, should obviate any error in the instruction. Also, speaking more generally, and in light of the circumstances under which the instructions were drafted, the Court does not believe any error in the instructions is fundamental or that a new trial is necessary to avoid great injustice. *Ivac Corp. v. Terumo Corp.*, 15 USPQ2d 1456, 1457 (Fed. Cir. 1990) (unpublished).

and use it, in such full, clear, concise and exact terms as to enable any person of ordinary skill in the art to make and use the invention. The specification also describes the best mode or modes contemplated by the inventor of carrying out the invention. The latter are called the preferred embodiments. However, preferred embodiments and other descriptions in the specification of the claimed invention are not read into the claims to add limitations to the claims. There is no requirement that the specification describe all embodiments, or include any commercial embodiment at all. Therefore, you cannot read limitations from the specifications into the claims to avoid infringement, except as you consider the specifications to identify the means portion of a claim element.

With respect to the one sentence object paragraphs that you find in the specifications, you should note that stating the object of an invention is not a requirement of the law, and that there is no requirement in the law that the accused system respond to any of the objects stated in order to infringe. As I have told you before, it is the claims of the patent that measure the patented invention, and it is only the claims that can be infringed.

As I said, the prosecution history also may be relevant in determining the meaning of words in patent claims. If Dr. Kearns, or his attorneys on behalf, made statements about the claims or amendments after the application was filed in obtaining the patent, these amendments can be used to understand the claims in the issued patent. These statements and amendments made in the U.S. Patent and Trademark Office may be used in favor of the patentee as well as against him in interpreting wording in the patent claims. Absent some special meaning given to the words of the claim in the prosecution history, the words of the claims are to be given their broadest reasonable interpretation.

These instructions were preceded by instructions which read (Tr. 11/22/91, pp. 4255-59):

> Some of the terms I will go over with you now will be familiar; others may be less familiar. The first familiar term is "claims." Claims, you may remember, are the numbered paragraphs which are at the end of the patent. The claims of a patent are "word pictures" which define the boundaries of the patented invention. They provide a legal definition of the invention. Beyond those boundaries, the patent owner has no rights.
>
> It is only claims of the patent that can be infringed. Neither the specification nor the drawings can be infringed. However, the specification and drawings can be used to help explain the meaning of words used in the claims.
>
> • • •
>
> Each of the claims used the transitional phrase "comprising." "Comprising" is interpreted the same as "including" or "containing." In patent claims, comprising means that the claims are open-ended. As such the claims are not limited to only the components recited in the claims. Based on this explanation if you find that Chrysler's systems include all of the components in any one of the patent claims and, in addition, Chrysler's systems include additional components, Chrysler's systems still infringe such claim or claims. The presence of additional components in Chrysler's systems does not mean that the systems do not infringe.
>
> The particular claims at issue are found at Tabs 6 and 7 of your notebooks. The parties have divided the claims into elements. This is primarily for the purpose of making it easier for everyone to refer to specific parts of a claim. The parties have differed on how they divided the claim

language into elements. You are not bound by any particular division into elements. This is a common sense matter so that we can deal with the claim language with more precision. It is the words of the claim that are important to your consideration.

• • •

I have just talked about the fact that every word in a claim is important, and that the limitations of a claim depend on the words that are used. This means it may be necessary for you to decide what particular words mean in interpreting and applying a claim. I am going to explain how you can do that.

I am going to list the things you can use in determining the meaning of words in a claim. Then I will explain in more detail how you should use each of these sources for interpretation. The order in which I discuss these is not intended to suggest the order you should consider them, or their relative importance.

First, you may use the ordinary everyday meaning of words unless that ordinary meaning has been replaced by some special meaning in the patent.

Second, you may look at the way words are used in the other parts of the patent itself: (a) you may use the specification and drawings; and (b) you may use other claims within the patent that were called to your attention.

Third, you may also look at what is in the U.S. Patent Office file on the patent, which is called a "file history" or "file wrapper."

Fourth, you may also consider the way the words in the claims were explained in the expert testimony.

Fifth, you may look at evidence about what is called prior art.

Chrysler says that the Court was too generous with the latitude allowed the jury with regard to the limitations in assessing the means of a means-plus-function claim that arise from the specifications and prosecution history. In making this argument Chrysler ignores the context of these instructions. At this point the Court was discussing general rules of claim interpretation and had not yet focused on the particulars of a means-plus-function claim. Thereafter the Court instructed the jury as follows (Tr. 11/22/91, pp. 4261-63):

> Certain elements or components in the patents are stated as "means-plus-function" claim elements. The "means-plus-function" claim elements are identified by the use of the words "means for" or "means to" as part of the claim element. A "means-plus-function" claim element defines part of the structure of the invention as a "means" for performing a certain function, thus conveying the concept that the component must be present to accomplish that function.
>
> In interpreting means-plus-function claim elements, you should identify the "function" of the claim element as stated in the claim. If the words in the claim function are plain, there is no need to refer to the specification; but if particular words of the function are ambiguous or in dispute as to what function is being described, then you may look to the specification to find out what the words mean. It is not proper in this endeavor to "read into" or limit the function of a claim element to the preferred embodiments described in the specification. The function of a means-plus-function claim element is ascertained from the words of the claim element as stated in the claim, with any uncertainty in definition resolved by you.

The "means" of a means-plus-function claim element is the structure in the patent specification that relates to the function of the means-plus-function claim element. To identify the "means," you must identify the structure performing the function as stated in the claim element. The fact that the structure in the specification of the patent is also performing another function or functions is of no moment.

You have heard testimony with regard to certain elements of the claims being known in the prior art. Individual claim elements may, and often do, read on the prior art, particularly in combination patents, such as the patents in suit. Virtually all inventions are combinations, and virtually all the combinations of particular elements found in the prior art. For that reason, it is of no moment whether a particular "means-plus-function" claim element may have been found in the prior art standing by itself.

There is nothing wrong in these instructions. Earlier, the Court instructed the jury on how to go about interpreting claim language generally. Then, the Court instructed the jury how to go about interpreting the means-plus-function claims. There was no prejudice to Chrysler sufficient to warrant a new trial.

5.

Chrysler takes exception to the instructions just above recited on the grounds the jury was told to ignore prior art "in determining whether the Chrysler systems infringed the patents-in-suit." The jury was told no such thing. Indeed, the jury was instructed on the role of prior art in interpreting a claim, see pp. 44-45, *supra,* and was specifically instructed as follows (Tr. 11/22/91, p. 4261):

When I use the term prior art, I mean you may consider the Amos and Foreman patents as discussed in

the prosecution histories and as explained to you in the courtroom.

Lastly, Chrysler takes exception to the instructions on the reverse Doctrine of Equivalents, a defense which Chrysler asserted and the jury found lack merit which went as follows (Tr. 11/22/91, pp. 4254-55; 4267-68):

It is your job to decide this dispute over infringement and to carry out that job you must follow the process I will now outline to you.

First, you must decide whether or not there has been literal infringement. In doing this, you will consider the evidence Dr. Kearns has offered that there is literal infringement and the evidence Chrysler has offered that there is no literal infringement.

Second, depending on your decision regarding literal infringement, you may then have to decide whether or not the reverse doctrine of equivalence applies to prevent a finding of infringement. When I say reverse doctrine, I am referring to the evidence Chrysler has offered that Chrysler's systems did not infringe because they were so changed in principle from the patented inventions that they performed the same *or a similar function* to produce substantially the same result, but did so in a substantially different way. At the same time you will consider the evidence Dr. Kearns has offered that the Chrysler systems were not so changed in principle from the patented inventions because they performed the same *or a similar function* to produce substantially the same result and did so in substantially the same way.

• • •

If your answer to the question of whether or not Chrysler literally infringed Dr. Kearns' patent is "Yes,"

you must then consider what is known as the "Reverse Doctrine of Equivalence."

I told you previously that under the Reverse Doctrine of Equivalence, you may still find that Chrysler has not infringed the claims. The question is whether the Chrysler systems were so changed in principle that they performed the same or a similar function to produce substantially the same result, but did so in a substantially different way.

If the changes you find in the Chrysler systems were only such that they still performed the same *or a similar function* to produce substantially the same result in substantially the same way, then Chrysler has not made out a case under the Reverse Doctrine of Equivalence.

When I use the phrase "so changed in principle," I mean that taken as a whole, Chrysler's system had a substantially different way of performing the function and reaching the results of the patented invention. (emphasis added)

Chrysler, focusing on the underlined language, argues that it allowed the jury to find literal infringement without finding identity of function as an element under the means-plus-function rules explicated in *Valmont, supra.*

Chrysler is wrong. The instruction clearly states that what is now being judged is the claimed invention. The underlined words come directly from *Graver Tank & Manufacturing Co., Inc. v. Linde Air Products Co.,* 339 U.S. 605, 608-609 (1950). There was no prejudice to Chrysler.

C. The Special Questions

Chrysler says it suffered substantial prejudice from the use of special questions that incorrectly and incompletely compared and described the asserted claims and the Chrysler system, and then goes on to pick apart the special

questions in great detail to make its points. Kearns has responded to the substance of Chrysler's arguments in the same detail. However, the Court is satisfied that Chrysler failed to properly except to the text of the special questions and according to the rule that unless an objection is properly made to jury instructions, which obviously includes special questions, any error is not preserved unless there is plain error, which is not argued here. The discussion at pp. 40-43, *supra,* describes the difficulty the Court faced in framing the special questions, including the unresponded to invitation to revise them if either party was dissatisfied with the Court's formulation. That difficulty, coupled with the general nature of the Chrysler objections, which mirror Kearns' objections (See Exhibits A and B), prohibits Chrysler from arguing for a new trial on grounds it was prejudiced by the special questions. See *Woodbridge v. Dahlberg,* 954 F.2d 1231, 1234-1237 (6th Cir. 1992), and *Gonzalez v. Volvo of America Corporation,* 752 F.2d 295, 298 (7th Cir. 1985). It should be noted here that on the basis of the answers to the special question regarding the '178 Patent, Chrysler was successful in obtaining a verdict in its favor. See p. 1, *supra.*

D. Evidentiary Rulings

Chrysler's arguments regarding evidentiary rulings is difficult to discuss because they are long on law but short in describing the precise rulings to which exceptions were taken as reflected in the record. Again, Chrysler ignores the rule that entitlement to new trial because of a wrong ruling on a matter of evidence requires a showing of prejudice. Fed. R. Civ. P. 61 reads:

> No error in either the admission or the exclusion of evidence and no error or defect in any ruling or order or in anything done or omitted by the court or by any of the parties is ground for granting a new trial or for setting aside a verdict or for vacating, modifying, or otherwise

> disturbing a judgment or order, unless refusal to take such action appears to the court inconsistent with substantial justice. The court at every stage of the proceeding must disregard any error or defect in the proceedings which does not affect the substantial rights of the parties.

See also: *Douglass v. Eaton Corporation*, 956 F.2d 1339, 1344 (6th Cir. 1992); *Westwood Chemical, Inc. v. Owens-Corning Fiberglass Corporation*, 445 F.2d 911, 918 (6th Cir. 1981), *cert. denied*, 405 U.S. 917 (1972).

1.

Chrysler says the Court wrongfully denied Paul Enlow, a Chrysler expert, to discuss certain prior art, and excluded Chrysler Exhibits 273 and 701. Since Chrysler fails to cite the record pages regarding the exclusion of these exhibits, the Court will not discuss them. As to the prior art ruling, the record pages cited by Chrysler do not tell the whole story. As best the Court can determine from the record, it was the particular questions Chrysler put to the witness to which objections made by Kearns were sustained. Suffice to say, the Court did not exclude prior art as an aid to claim interpretation but rather excluded discussion of prior art in circumstances in which Chrysler was obviously trying to challenge the validity of the patents-in-suit.

The particular question cited by Chrysler was as follows (Tr. 11/11/91, p. 2791):

> Q. . . . Would you describe for us what is contained or what is shown in the Foreman system, in the Foreman prior art —
>
> THE COURT: The objection is sustained. We are dealing with the office actions, what the Examiner said, and how the applicant responded. I have made that ruling previously, Mr. Taylor, and you should have understood it.

What Foreman teaches what Amos teaches to say is irrelevant. It is what the Examiner says and how the applicant responds that is relevant.

Clearly, substantially more of the record must be studied to understand the question, the objection and the Court's ruling. Lastly, the jury was specifically instructed that "evidence about what is called prior art" could be used in "determining the meaning of words in a claim" (See Tr. 11/22/91, pp. 4259, 4258), and that "the Amos and Foreman patents as discussed in the prosecution histories and as explained to you in the courtroom" could be considered in assessing prior art. (See Tr. 11/29/91, p. 4261).

There was no prejudice to Chrysler prohibiting Paul Enlow's testimony regarding prior art.

2.

Chrysler says the Court wrongfully limited its use of the patent specifications in construing the claims and then cites excerpts from the record (See Tr. 11/5/91, p. 2022) as typical and makes no further reference to the record or any rulings of the Court. The complete text is instructive (Tr. 11/5/91, pp. 2022-24).

THE COURT: Ms. Siemer, you're asking her to say what the patent says the words energizing said motor to initiate a wiping cycle.

MS. SIEMER: That's right, your Honor, to initiate a wiping cycle. I want to define when the wiping cycle starts and when it stops.

THE COURT: Well, now this is what you ask her. You ask her what she found in the patents to initiate a wiping cycle. I'm going to sustain the objection.

I don't think you look at the patent spec for description of the functions. You look at the patent specs for structure

to define the means, but I'm not aware that you look to the patent to define function. If you think I'm wrong, we have to recess again and hassle it out.

MS. SIEMER: May I state it just briefly?

THE COURT: Yes.

MS. SIEMER: Not to determine the function, your Honor, but any word in any claim can be interpreted by looking elsewhere if it's ambiguous —

THE COURT: I don't see anything ambiguous in those words. Now, maybe the witness does.

MS. SIEMER: Suppose I ask that foundation question first.

THE COURT: I think that's a question for me to decide, don't you? I mean, I'm not skilled in the art, but I think the question whether or not there's an ambiguity is for the Judge to decide in the first instance.

Now again, if you want to recess, we'll call a recess and argue that one out. That's a ruling, as you understand. And I think it's unambiguous, it doesn't need any interpretation.

Clearly, the Court was not denying Chrysler the right to examine into the relationship of the specifications to the claims, but rather disallowing a generalized and unfocused line of inquiry. Chrysler's examination was not restricted. The jury was properly instructed. There was no prejudice to Chrysler.

3.

Chrysler says the Court wrongfully "exclude[d] ... evidence of the inherent moisture — responsive features of the windshield wiper systems disclosed by" the patents-in-suit. That is not what the Court did. What the Court did was to

instruct the jury that the claims-in-suit did not contain a moisture responsive limitation as follows (Tr. 11/7/91, pp. 2364-65):

> You will recall I told you at the beginning of the trial it's the Judge's function to define the issues in the case and operate as a traffic cop on the admission of evidence. You have heard testimony thus far that the Kearns invention overall had a feature in it known as moisture responsiveness, that is, length of the dwell and the speed of the wiper in intermittency could correlate itself to the amount of water on the window. So, if it was raining hard, it would move faster; less, it would move slower; no moisture, it would stop altogether. There is no requirement in the claims that are asserted in this case of moisture responsiveness. Therefore, the fact that neither the Chrysler A or B system have a moisture responsiveness capability is relevant to the issue or the question of infringement.

This instruction was based on a determination the day prior as follows (Tr. 11/6/91, pp. 2172-77):

> The moisture responsive issue is fundamental. The Court is satisfied that Dr. Kearns has the better of the argument but for slightly different reasons than asserted by counsel.
>
> The means plus function claim form in 112-6 reads, "an element in a claim may be expressed," et cetera.
>
> Chrysler's paper says,
>
> If the structure disclosed in the patent specification is to have any meaningful role in limiting the scope of a means plus function that claim, an alleged infringer must be permitted to introduce evidence that its device does not exhibit a feature that is inherent in the disclosed structure.

When Chrysler uses the word "structure" in that sense, it's referring to the totality of the invention, not an element of the claim; and I believe that what Chrysler is doing is taking the various elements of the claim, and the means in combination to create an overall structure, which is a device in action, which it cannot do. In literal infringement it's a question of whether of not each of the elements of the claim are found in the accused device, and it's not to compare the claim reduced to practice to the device — one device versus the other.

Second, these claims were construed initially in the suit challenging validity and enforceability, determining the validity of these patents. Chrysler is bound by the judgment in that case on validity and claim construction inherent in that judgment, that's not been disputed; and in that case there is nothing in the record that limits the claims which are in issue to moisture responsiveness. To inject, to allow the jury to consider moisture responsiveness in this case would confuse them, would mislead them, would make this case something different than it is.

Chrysler has to defend on the basis that its accused device does not literally infringe or the three-part test of reverse equivalence. The fact that it is possible to include moisture responsiveness in the Kearns' invention overall or various embodiments of it is of no moment in the Court's view.

• • •

THE COURT: I'm not going to strike the evidence. I will give the jury at an appropriate time, a cautionary instruction that moisture responsiveness is not required — a moisture responsive capability is not required in either Chrysler A or B system for a finding of infringement. I think that's the extent of my ruling — the extent the instruction has to go.

There was no error in the ruling on the instructions. Whatever an "inherent . . . responsive feature" may be of a "system disclosed by" a patent-in-suit, there was nothing in the asserted claims that allowed Chrysler to argue to the jury that it did not infringe because its intermittent windshield wiper systems were not moisture responsive. There was no prejudice to Chrysler in excluding evidence regarding moisture responsiveness.

4.

Chrysler argues, without citing its Patent Office number or exhibit number, that the Court erred in excluding from evidence the patent it obtained on its intermittent windshield wiper system, U.S. Patent No. 4,158,159, while allowing Kearns to cross-examine Chrysler witnesses on statements in Chrysler memoranda describing the Chrysler system. The statements were clearly admissible as admissions against interest, i.e., Chrysler's description of how its system operated. The Chrysler patent, offered by Chrysler to bolster its case on non-infringement, had no relevance as such. Chrysler was free to cross-examine Kearns' witnesses on their interpretations of the statements. The Court, in excluding the Chrysler patent, said it was hearsay and self-serving. (Tr. 11/14/91, p. 3277) The ruling was not prejudicial error.

5.

As previously described, there was considerable confusion as to which exhibits had been admitted during the course of the trial and because the jurors had notebooks before retiring to deliberate they were directed to retain and have in their notebooks when they went to the jury room to deliberate only certain of the exhibits. This is what the Court said. (Tr. 11/25/91, p. 4283).

THE COURT: Hi, folks.

> Be Seated.
>
> We have some housekeeping matters, and some supplemental matters.
>
> First, I want you to take your large notebooks, and I want to go through it page-by-page, tell you what you must have in it. If you have anything in it other than what I describe, you just rip it out.
>
> JUROR: I'm sorry, I left mine in the jury room.
>
> THE COURT: Okay.
>
> Go get it.
>
> That's extremely important that anything that's not in mine should not be in yours. And rather than go through them ourselves, we decided that we would respect your right of privacy and do it this way.

Chrysler dramatizes this little event by saying the Court "order[ed] the jurors to rip out of their notebooks and throw on the floor certain of Chrysler's exhibits that had been admitted into evidence." The Court does not find in the record any "order to throw" and, more than that, fails to find any explanation by Chrysler why it did not object at the time. Indeed, Chrysler knew from discussion with the Court the previous week[23] the Court's intended manner of dealing with exhibits. Also, all of the admitted exhibits were available to the jury during deliberations.[24] There was no prejudice to Chrysler.

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[23] See discussion at pp. 36-37, *supra*.

[24] Because of the volume of exhibits and number of witnesses, the Court gave the jurors a list of the admitted exhibits and a list of the witnesses who testified.

E. Rebuttal and Surrebuttal

While paying lip service to the Court's discretionary authority with regard to rebuttal and surrebuttal testimony, Chrysler argues in generalities that the Court abused this discretion by its generosity towards Kearns in rebuttal and its refusal to allow surrebuttal to Chrysler. No detailed discussion of the Chrysler's argument and Kearns' response is necessary. Kearns' case-in-chief took 8 trial days; Chrysler's defense took 10½ trial days. Kearns' rebuttal took 2 trial days. The Court ruled against Chrysler's surrebuttal stating, "I don't find that significant enough to allow any kind of surrebuttal." There was nothing exceptional about Kearns rebuttal evidence or in the Court denying Chrysler the right to surrebut. There was no prejudice to Chrysler.

F. The Pretrial Stipulation

As stated above,[25] Chrysler agreed to be bound by the decision on enforceability in Kearns' case against Ford, *Kearns v. Ford*, Civil No. 82-70748. In that case a jury found the Kearns patents-in-suit valid and enforceable. After the same jury hung on the issue of damages (it was unanimous on non-willfulness and a second trial on damages in which the jury found a reasonable royalty to be 30 cents a unit), Kearns and Ford settled. This obviated the Court's need to deal with Ford's motion for judgment notwithstanding the verdict or in the alternative for a new trial, and the Court of Appeals for the Federal Circuit to deal with a more than likely appeal. Almost from the time this case was scheduled for trial following the last of the Ford trials, Chrysler endeavored to get out of the stipulations by arguing there was no final adjudication and that, since *Kearns v. Ford* terminated by a consent judgment, Chrysler was not bound by the findings of enforceability and validity. The

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[25] See page 3, *supra*. Ford did not contest infringement.

Court ruled against Chrysler at a hearing held on May 30, 1991, and memorialized by an order entered May 31, 1991. No good reason has been shown for the Court to reverse its ruling.

IV. New Trial — Damages

Chrysler makes a variety of arguments in support of its position that it is entitled to a new trial on the issue of damages. None of its arguments have merit.

A. Limitation On A Reasonable Royalty

Chrysler argues that the reasonable royalty it must pay as an infringer cannot exceed 30 cents a unit because the uncontroverted evidence at the damages trial leads to the conclusion that Chrysler's cost to switch to a non-infringing intermittent windshield wiper system was 30 cents a unit and that non-infringing intermittent windshield wiper system were available. The trouble with the argument is that the jury found otherwise, presumably on the basis of testimony introduced by Kearns regarding the inadequacies of each of the alternatives intermittent windshield wiper systems argued by Chrysler. Chrysler is really asking the Court to rule that it does not have to pay more as an infringer than it would have paid if it had entered into a license voluntarily. That is not the law. There is no prejudice to Chrysler in the jury's finding that a reasonable royalty for infringement is 90 cents a unit.

B. The Instructions

Chrysler takes exception to the jury instructions of law regarding a reasonable royalty. The instructions went as follows (Tr. 5/29/92, pp. 3644-49):

> The damages that you are to award Dr. Kearns must be based on what is called a reasonable royalty. The term

royalty is the term that the law uses when referring to payments made to the owner of a patent, such as Dr. Kearns, by another person, such as Chrysler, when infringement has occurred.

The reasonable royalty is to be determined by use of what is called a hypothetical negotiation. This negotiation is presumed to have taken place at the time of the first infringement and assumes certain facts, including:

1. That Dr. Kearns, as Licensor, and Chrysler, as Licensee, would have been willing to enter into license negotiations for use of Dr. Kearns' patent IWW systems in May 1977, the date when the first infringing IWW system was manufactured;

2. That Dr. Kearns' patents were valid and infringed; and

3. That Dr. Kearns and Chrysler would have known all pertinent information of the other party.

You are not limited, nor are you constrained to use evidence that was available only at the time set for the hypothetical negotiation in 1977. Instead, you may use evidence pertaining to the period between 1977 and 1988 in coming to a conclusion as to what the hypothetical negotiations would have agreed to in 1977.

In a hypothetical negotiation the setting of a reasonable royalty after infringement cannot be treated as the equivalent of an ordinary licensing negotiation between a truly willing patent owner and a truly willing licensee. To do so would pretend that the infringement never happened, and that would mean that the infringer had nothing to lose but only had to pay the ordinary industry licensing fee. That is why the factors which I will shortly describe for you, that may be considered in the hypothetical negotiation, are broader than the factors that might

have been used in an actual automobile industry negotiation.

During the course of this trial, you have heard the testimony of a number of witnesses about factors that may be considered in determining the reasonable royalty in this case. You have seen exhibits displaying some or all of these factors. These factors are taken from cases dealing with reasonable royalties. You may find that not all of these factors are pertinent to the hypothetical negotiation in this case.

I have chosen to restate these factors to you as follows:

1. Industry licensing policies and practices, including the amounts paid by Chrysler for the use of other patents comparable to the patents in suit.

2. The nature of the rights that Chrysler would have received, including whether the license agreement would have been exclusive or non-exclusive.

3. The effect, if any, that the improvements in Chrysler IWW systems attributable to Dr. Kearns' patents had in promoting sales of other Chrysler products.

4. The duration of the patents-in-suit in May, 1977.

5. The established profitability, if any, provided by the improvements in Chrysler's IWW systems attributable to Dr. Kearns' patents, their commercial success, and their current popularity.

6. The utility and advantages of Dr. Kearns' patented IWW systems over older IWW systems, if any, or other reasonably available alternative IWW systems for accomplishing similar results. In considering reasonably available alternative IWW systems, you may take into consideration whether the alternative IWW systems had the beneficial characteristics of the infringing system (and therefore was an alterative to it) and whether it was

developed or available in the market. It is not necessary that Chrysler actually used any such alternative IWW systems, only that it was available for use.

7. The nature of Dr. Kearns' patented improvements to IWW systems and benefits, if any, to those who have used Dr. Kearns patents.

8. The extent, if any, to which Chrysler has made use of Dr. Kearns' patented improvements and any evidence probative of the value of that use.

9. The portion, if any, of the profit or selling price that may be customary in the automobile manufacturing business to allow for the use of Dr. Kearns' patents or analogous patents.

10. The portion of the benefit, if any, Chrysler realized from the improvements to its IWW systems that should be credited to Dr. Kearns' patented improvements as distinguished from non-patented elements, the manufacturing process, business risks taken by Chrysler in selling the infringing systems, or significant features or improvements added by Chrysler, if any.

11. The opinion testimony of qualified experts.

12. The amount which a prudent licensee who desired as a business proposition to obtain a license to manufacture and sell IWW systems embodying the patented improvements would have been willing to pay as a royalty and the amount which would have been acceptable by a prudent patentee who was willing to grant a license.

13. The hypothetical negotiations may involve other factors that normally prudent business people might, under similar circumstances, take into consideration in negotiating the license as you find from the evidence.

You should keep in mind that the purpose of the reasonable royalty is to provide compensation to

Dr. Kearns for the damages that he has suffered as a result of the infringement.

In determining a reasonable royalty, it will not be your purpose to punish Chrysler or make an example of it.

These instructions are substantively consistent with the law of damages in patent cases as stated in *Panduit Corporation v. Stahlin Bros. Fibre Works, Inc.*, 575 F.2d 1152, 1158 (6th Cir. 1978), and *Georgia Pacific Corporation v. United States Plywood Corporation*, 318 F. Supp. 1116, 1120 (S.D.N.Y. 1970), *modified & affirmed* 446 F.2d 295 (2nd Cir. 1971). No further discussion is required.

C. Evidentiary Rulings

Chrysler, again ignoring Fed. R. Civ. P. 61, complains of three evidentiary rulings in the damages trial in arguing for a new trial as follows:

1.

To establish the profitability of the infringing intermittent windshield wiper units, Kearns' principal witness on damages utilized Chrysler data from the Chrysler Product lost Data Base (Px 953-957). The Data Base is a print-out produced by Chrysler each year which contains a wide range of financial data on each of the principle components of the automobile manufactured by Chrysler including the profitability of intermittent windshield wiper systems. The witness explained the use of these studies as follows (Tr. 5/6/92, pp. 1073-75):

> From the documents that have been produced by Chrysler in this case, I have observed that they produced in advance of each model year a forecast of the profitability of each option attached to each vehicle that they sell in the United States, and a separate estimate for each vehicle in each option for Canada.

These forecasts are made in advance of the model year, and are finalized at about the time of the beginning of the model year which traditionally has been in the autumn.

These are the data which have been provided by Chrysler in this case in response to a request for all information regarding the profitability, or the costs, or studies concerning those for intermittent windshield wipers.

• • •

Q. And in what document does Chrysler report its estimate?

A. Documents referred to as the product cost studies.

Q. Why not use Chrysler's actual profit report as opposed to these product cost studies?

A. For one very simple reason; that is, Chrysler did not produce them. But also, in deposition evidence provided by Chrysler's employee, Mr. Milish, explaining the product cost studies, he said these are not regularly produced in the course of business by Chrysler. And that is why they did not produce them. That is, they do not go back at the end of the year and attempt to estimate the profitability of each option. They only do it in the beginning of the model year on a routine basis.

Chrysler argues that these studies were not relevant because they do not contain the kind of data courts have generally relied on to determine profitability of infringing devices. Chrysler is wrong. These studies were the only data produced by Chrysler with regard to profitability and, as explained by Kearns:

(a) [The] Product Cost Studies showed Chrysler's expected list price of the intermittent wiper option to

Chrysler new car dealers, along with expected discounts from the list price in another line of the same page.

(b) Product Cost Studies showed Chrysler's projected costs per unit of the intermittent wiper option, based on an assumed production volume for the Chrysler assembly plants.

(c) A cost accountant would have reached the same result if he tried to determine the costs of the products included in the Product Cost Studies.

(d) Chrysler has used Product Cost Studies "to understand our product costs".

(e) Fourteen Chrysler accounting people worked on the Product Cost Studies, with many more in Chrysler's plants providing supporting data.

(f) Chrysler used Product Cost Studies as a base or starting point for additional internal studies and were an important tool of the corporation.

(g) Product Cost Studies have been done every year at Chrysler for at least 25 years. [citations to the record omitted]

The Court engaged in a rather extended colloquy with Chrysler's counsel regarding these studies to assure itself that they were the only evidence available regarding profitability, as follows (Tr. 5/7/92, pp. 1249-59):

THE COURT: So, the only data that's available to arguably relate to profit is the product cost studies?

MR. TAYLOR: Yes.

• • •

THE COURT: Then, are you telling me there are still documents available in the Chrysler files relating to

either cost or profit that have not been produced in this case?

MR. TAYLOR: No, sir, I'm not.

• • •

THE COURT: All you're saying is whatever Chrysler produced related to cost and profit, you got?

MR. TAYLOR: Right.

• • •

THE COURT: Did Chrysler produce everything it had in good faith?

MR. TAYLOR: It did, your Honor, everything.

THE COURT: That's all that existed? That's all that existed, right?

MR. TAYLOR: That's correct.

• • •

THE COURT: And there's nothing that you have that they didn't ask for.

MS. SIEMER: No, that's right.

• • •

MR. TAYLOR: There are no documents within Chrysler, that I'm aware of, relating to the profitability of options that were not produced.

THE COURT: And the cost of manufacture?

MR. TAYLOR: And the cost of manufacture.

Certainly, evidence of expected and actual profitability is relevant when the jury considers the *Georgia Pacific, supra,* factors. See *Trans-World Manufacturing Corporation v. Al Nyman & Sons, Inc.,* 750 F.2d 1552, 1568 (Fed. Cir. 1984). Chrysler had ample opportunity and put it to good use to place the product cost studies in context and to argue to the jury the severe limitations on them. There was no prejudice to Chrysler.

2.

Chrysler says the Court erroneously denied admission of a 1964 agreement Kearns signed with Tann Corporation (Tann) regarding licensing of his intermittent windshield wiper invention and a 1973 letter Tann wrote Ford proposing a license. Aside from the dramatically different circumstances which obtained in 1964 when the agreement was signed, and in 1973 when the offer was made, the jury did hear of the essential terms of both documents. (Tr. 5/27/92, p. 3398) The Court was, and is, satisfied that Chrysler had ample opportunity in cross-examination of Kearns to display to the jury Kearns' views on the worth of his invention in the context of his relationship to Tann and in the offer to Ford and that the jury obviously did not think such a view was persuasive of what Kearns was entitled to from Chrysler as an infringer. There was no prejudice to Chrysler.

3.

Chrysler takes exception to the Court overruling its objection to the testimony of Stephen Thompson (Thompson) in rebuttal. Thompson was called to testify by Kearns regarding the disincentive to inventors when they receive unreasonably low royalties for their work. The Court was initially disinclined to let Thompson testify on the grounds that his opinion had no relevance to any of the issues. After an

extended voir dire outside the presence of the jury, the Court allowed Thompson to testify for the limited purpose of responding to Chrysler's evidence that a reasonable royalty for its infringement was 3 cents a unit. The Court said (Tr. 5/27/92, pp. 3427-31):

> I'm going to let him testify. I'll give the jury a cautionary instruction now or later, but I'm satisfied that the jury is entitled to some further background as to what their function is, and how they are to approach it in the consequences of their decision-making.
>
> I think that we have put juries at sea in these patent cases, and given the range here between $.03 and $29.00, both of which figures the Court finds extreme and this Court candidly, . . .would not allow a verdict to stand at $.03 a unit, nor would it allow a verdict to stand at $29.00 a unit. I would find . . ., the first one unreasonably low, and either grant a new trial, or a remittitur,[26] and [on] the other one would grant either a new trial and a remittitur. And what has happened in many of these cases, Mr. Taylor, as I can see it, is that the Court simply substitutes its judgment for the judgment of the jury, and that is not trial by jury.
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> • • •
>
> [I]n this case, if he asks those questions the way he has, given the answers that will be given, you have a right to bring out the generality and the lack of familiarity, and I am prepared to tell the jury now or later that this testimony is offered for a very limited purpose and that is, to give them some fuller appreciation of what is involved

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[26] This is an erroneous statement. The Court's authority in the event of an unreasonably low verdict would be limited to the grant of a new trial.

in the patent system, and why the Constitution provides for a system of patents, and that's the sole purpose.

MR. TAYLOR: The problem that I have, your Honor, is this, we've got a witness here who is going to give sworn testimony —

THE COURT: Opinion testimony.

MR. TAYLOR: And then I'm going to have to stand here and — many of the important considerations on the other side —

THE COURT: You can bring out in leading questions, and if he says he doesn't know — he may admit some of them, but that's the risk we take.

But, let me tell you Mr. Taylor, I don't want to spend a lot more time about it, but the Defendants put themselves in this position in their approach of what constitutes a reasonable royalty for infringement. I didn't come up with the $.03 a unit; you came up with it. I am judicially outraged with that figure, I want you to know that.

I think what you did is you came in with the lowest possible figure, figuring that the jury, if you got low enough, then the jury would boost it, but it might not boost it as high, as high if it came it a little higher.

I also think, Mr. Taylor, that some of the examples of alternatives were off the wall. I think what you did with the . . . two design rounds, those aren't reasonable alternatives. They're not available in the marketplace. They are some engineer's speculations, and you've done a very good job, an excellent job, of building them up into something that's meaningful.

If I were a Judge trying this case to the bench, I don't know if I would have even allowed that testimony. I described it the other day, and I'm not going to describe it

again, but — I can't blame you. I guess that's the way these cases are tried, ...

• • •

I think this . . . [is] entitled to here this, . . . I'm willing to give them an instruction on the narrowness of the reasons why the Court is allowing this.

The Court went on to give a limiting instruction to the jury as follows (Tr. 5/27/92, pp. 3435-36):

Ladies and gentlemen, — this testimony is being offered for a very limited purpose. You sit here as a jury and you will get the rules of the law that you are to apply on Friday.

• • •

It will be your job to determine what constitutes a reasonable royalty in the circumstances of this case according to the rules of law that I give you.

Now, what I say now is not a comment on the evidence. You have heard a rather wide range of what constitutes a reasonable royalty per unit, but my guess is as low as $.03 a unit, and as much as $29.00 and something a unit. . . . — it's your decision to make.

This testimony may be of some assistance in allowing you to evaluate all of the other testimony that you've heard and some assistance in applying the various rules of law that I give you, particularly . . . — the factors from what we call the *Georgia-Pacific* case, and the fact that you are determining a reasonable royalty in the context of an infringement case, not in the context of a voluntary negotiation where you are simply asked for advice.

So, it's for that limited purpose and for that — and to give you some background upon which you can deliberate and come to a conclusion.

Is that satisfactory?

MR. TAYLOR: That's the instruction you said you were going to give.

THE COURT: I just want to be consistent with what I told you I was going to do.

MR. TAYLOR: That is what you said you would do.

THE COURT: I didn't leave anything out?

MR. TAYLOR: No, sir.

Thompson then testified that an award of an unreasonably low royalty to Kearns would undermine the very purpose of the patent system and that in considering a reasonable royalty "you get into the incentives for the system and for the inventor." Chrysler extensively cross-examined Thompson.

There was no error in allowing Thompson to testify. There was no prejudice to Chrysler.

D. Kearns' Pro Se Representation[27]

As described above, Kearns represented himself in the damages trial. Chrysler complains that the Court unfairly and improperly assisted Kearns to Chrysler's substantial prejudice. In its argument Chrysler makes a number of references to the record without stating the text of the record. Also, Chrysler says that Kearns, while representing himself to be without counsel, in fact had the assistance of counsel behind the scenes. Chrysler does not support this assertion by any record reference and does not cite any

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[27] See discussion at p. 4, *supra*.

record reference where it moved the Court for relief on the occasions it argued that the Court unfairly assisted Kearns. Moreover, at no time did Chrysler move for a mistrial or suggest to the Court how it should deal with Kearns' obvious floundering and lack of understanding of how to proceed. Lastly, Chrysler offers no suggestion of what result might have obtained if the Court had acted in the way Chrysler believes appropriate. There was no prejudice to Chrysler in the manner in which the Court handled Kearns.

V. Remittitur

Chrysler's last point in arguing for a new trial is that the jury's verdict of 90 cents an infringing unit was excessive, and therefore a remittitur to 30 cents a unit is appropriate because there were acceptable non-infringing alternatives available, and therefore "the proper measure of a royalty is capped at the cost difference between such an alternative and the infringing device." This argument has already been rejected. Again, Chrysler would have the Court rule that Chrysler should not pay more for its trespass than it would have paid if it negotiated a license with Kearns. Kearns' proofs were to the effect that $3.00 a unit was a reasonable royalty to be paid by Chrysler for its infringement. The jury verdict of 90 cents a unit was within the limits of an amount that the jury could reasonably have found appropriate for Chrysler's infringement. There is no basis for a remittitur.

VI. Conclusion

A. Comments

This opinion has taken too long to complete. The inordinate length of time the Court has spent on it has been occasioned by judicial distractions, personal circumstances, and mostly the complexity and excessiveness of Chrysler's argument. Too much of its argument was taken up in

assertions that Chrysler knew, or should have known, lacked merit given the standards of review established by Fed. R. Civ. P. 50 (a)(1), Fed. R. Civ. P. 51 and Fed. R. Civ. R. 61.

Kearns' response, as previously mentioned, was of little assistance. Without the contribution of the amicus brief the Court would still be struggling to come to a conclusion. The Court's role is now at an end. The parties, if they desire, may now take their dispute to a higher level. If they do they certainly should heed the lessons learned at this level, and Kearns, particularly, should mind the admonition: *Basilicae non adsunt ut rotam interum inveniant.*

B. The Order

For the reasons stated above Chrysler's motion for judgment as a matter of law or, in the alternative, for a new trial is DENIED.

SO ORDERED.

/s/ AVERN COHN

AVERN COHN
UNITED STATES DISTRICT JUDGE

DATED: JUNE 3, 1993
Detroit, Michigan